

-
- Nov 10, 2010 16:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In a BO trade.

Attached Thumbnails



- Nov 10, 2010 16:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [JayTrader](#)

Its running into a lot of Daily and weekly support at the level its at. It may have to work at it a while.

I really like the weekly chart. Check out the tight trading for the past 5 weeks....indicating a big move sooner or later.

Notice the last time that happened ,there was 1500 pip move down.

Attached Thumbnails



- Nov 10, 2010 18:32



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Watching this pair now to see if the prior support area (shaded) will act as resistance and repel PA back down.
Attached Thumbnails



- Nov 11, 2010 0:56



[Wally1953](#) Member Since Jun 2010
Zen trader [347 Posts](#)

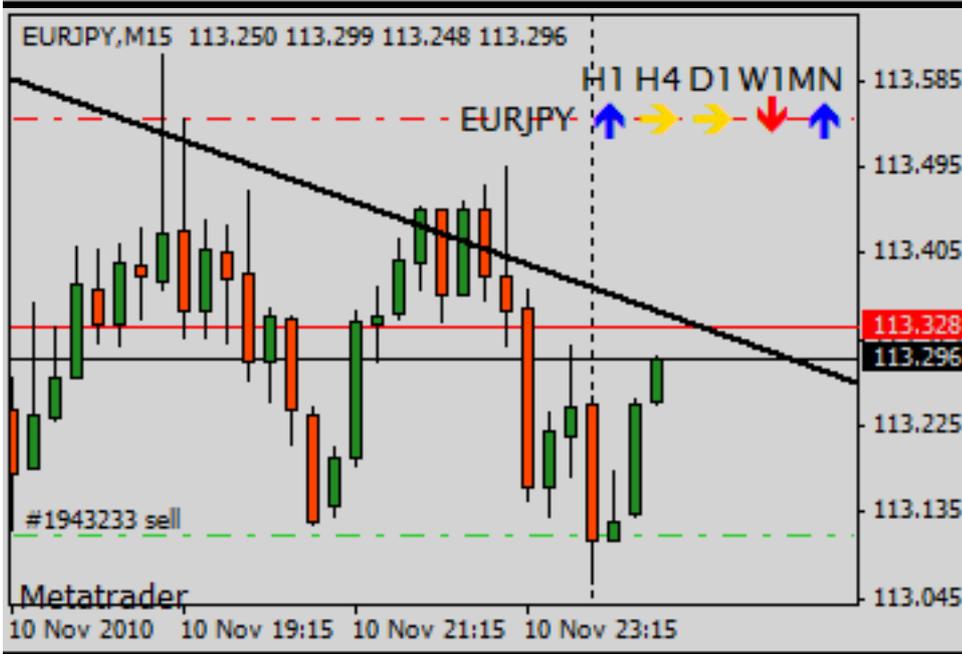
Here is a short trade I'm in on EJ. When I came home and checked my charts, this pair was trending down on W1, D1, and H4. It had hit its third tap and was heading south so I jumped in. Got in late, but it seems you get in late too sometimes. I gave up the tight stopless routine and placed my stop above recent resistance on the 15M chart (posted), about 44 pips. My TP is just above support on H4.

Did I do good, or did I miss something? Is my stoploss at a reasonable level?

Any comments are welcome.

Thanks!

Wally



- Nov 11, 2010 1:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Wally1953](#)

This is a 15M chart. Look how PA is honoring the trendline. It just blows my mind! No wonder this method works so well. So trade management is the key here to capitalize on this phenomenon. SLs and TPs and emotions and greed. I'm

getting all choked up right now. I have to grab a tissue... 🤧

[Attachment 577637](#)

Too funny! I'm in this trade too. Looks like a good call so far.
Attached Images



-
- Nov 11, 2010 2:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Wally1953](#)

Your entry and TP are exactly where mine are, so that makes me feel all warm inside.

I see you have no SL. As in my previous post, I put my stoploss above recent resistance on 15M chart. If you were to have a stoploss in this trade, would you use that criteria?

As you can see, for the time being I've given up on the tight stoploss idea. You are the mentor here, and we should all try to emulate your success, and not try to reinvent the tire.

Good luck on this trade LG!

I am very uncomfortable with that! I do use stop losses, just not immediately generally...and not too tightly. It is just that I have noticed after making thousands of trades, that there is generally no urgency for either a SL or a TP. Unless there is an unforeseen spike in PA the market on H4 and longer TFs moves rather slowly..at least generally with enough time to act.

-
- Nov 11, 2010 13:46



[Wally1953](#) Member Since Jun 2010
Zen trader [347 Posts](#)

Hi Lawgirl,

Here is the short EJ trade you and I were in yesterday. It's the 15M chart, which I used to determine a stoploss level. As you can see, I used the previous swing high and put my stop 1 pip plus spread above that, 44 pips away from entry.

Unfortunately price came up and the spread just nicked my stop and took me out and then proceeded to head down to target, -44 pips. Not quite there yet, but it looks like it will make it. I hope you're still in it.

I was trading very small, so no huge loss, just another learning experience. So my question to you is: Did you eventually place a SL, and if so, where did it go and how did you determine that level?

I'm just wondering if my SL is still too tight and need to give it even more room, or did I do the right thing, and this is just one of those trades that make traders grow old before their time.

Thanks for your help!

Wally



- Nov 11, 2010 14:01



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Wally1953](#)

Hi Lawgirl,

Here is the short EJ trade you and I were in yesterday. It's the 15M chart, which I used to determine a stoploss level. As you can see, I used the previous swing high and put my stop 1 pip plus spread above that, 44 pips away from entry.

Unfortunately price came up and the spread just nicked my stop and took me out and then proceeded to head down to target, -44 pips. Not quite there yet, but it looks like it will make it. I hope you're still in it.

I was trading very small, so no huge loss, just another learning experience. So...

Hi Wally...I was just about to post that trade. I am up about 50 pips. No I never placed a SL on this trade because the weekly RSI stayed with me and before I went to bed, PA had already tested my resistance line and was heading down. It would have taken an extraordinary act to reverse the weekly RSI on a Thursday...not saying it could not happen, but not likely.

Attached Images



- Nov 11, 2010 14:28



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

May be a good ditch trade long. Go to lower TF and watch for a good entry.
Attached Thumbnails



-
- Nov 11, 2010 14:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by LFB

Hi LawGirl

Bing thanks for all you did for us. I think your system is easy, but it is not that easy to use it :-) I will try my best. I just want ask one question, why do you use RSI with factor 3, does it work for you the best, have you tried other periods?

Once again big thank you for ALL.

This is not really a beginning traders' system. It is deceptively simple- yet it presupposes a great deal of knowledge and/or experience and even a mature trading attitude which includes an ability to manage money effectively. Yet we have many new traders here who are doing well.

RSI(3) works best in my opinion...I have no idea why. Yes, I have tried many other periods and thousands of other indicators.

You are welcome. Please make sure you read the thread..especially the first 10 or so pages.

-
- Nov 11, 2010 15:19



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

Hi Wally...I was just about to post that trade. I am up about 50 pips. No I never placed a SL on this trade because the weekly RSI stayed with me and before I went to bed, PA had already tested my resistance line and was heading down. It would have taken an extraordinary act to reverse the weekly RSI on a Thursday...not saying it could not happen, but not likely.

Out with 55 pips.

-



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Both a BO trade setting up and and H4 3 Tap trade. May be late for the Tap trade, but not the BO.

Attached Thumbnails



- Nov 11, 2010 15:36



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by JayTrader

LawGirl, unless you were trading a counter trend trade, would you trade against the Weekly RSI this late in the week?
Referring to the GBPUSD post a few posts back

Thanks

Jay

I have such respect for the weekly RSI..especially this late in the week...that I never, never, never trade against..unless I am entering a countertrend trade and looking to get in and out fairly quickly..just like you stated. I personally think the weekly RSI is the most accurate trend indicator there is, and I have no idea why, nor do I really care.

I almost never trade countertrend anymore, because quite frankly, there is no need to. There are so many good trend trades setting up with this system that it is hard to keep up with them. But trading is really very boring and sometimes we need to just do something different.

-
- Nov 11, 2010 15:48



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I have been in this trade since last night. It is just starting to do something.
Attached Thumbnails



- Nov 11, 2010 16:01



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [simmo24](#)

Anyone in this trade. I have been for around two hours now and it just retraced on me.

She's moving up at last !!

That should be a very good trade.

Attached Thumbnails



- Nov 11, 2010 16:07



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [PhAnTi](#)

bearish trend when h1 closes below 1.0010

This trade is looking very good.. are you in it?

Attached Images



• Nov 11, 2010 16:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [simmo24](#)

Usd/Cad ??

This is how I see this pair, as a ditch/channel bounce trade long for about 30 pips.

Attached Images



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [JayTrader](#)

GBPJPY is starting to BO

Yes, we should wait for that M15 candle to start moving up, then enter.

Attached Images



-
- Nov 11, 2010 17:04



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Yes, we should wait for that M15 candle to start moving up, then enter.

I'm not liking it now. 😞

Attached Images



-
- Nov 11, 2010 17:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO

Attached Images



-
- Nov 11, 2010 17:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO

Attached Images



- Nov 11, 2010 17:11



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

It does not get prettier than this!

Attached Images



-
- Nov 12, 2010 4:46



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Just got back home. This pair short from yesterday hit my TP +65 pips.
Attached Thumbnails



- Nov 12, 2010 4:47



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

From yesterday, up +55 pips.

- Nov 12, 2010 4:52



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H1 4C BO trade setting up right now. Move to M15 chart and wait for close of candle to enter.
Attached Images



- Nov 12, 2010 5:00



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Same thing....H1 4C BO trade setting up.
Attached Images



- Nov 12, 2010 14:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I set a pending short trade on this pair. Woke up with TP of +55.
Attached Images



-
- Nov 12, 2010 14:18



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [pippete](#)

This one was nice yesterday, over 100 pips worth
May be getting ready to BO again.

Attached Images



- Nov 12, 2010 14:21



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3Tap setup, no trigger yet.
Attached Images



- Nov 12, 2010 14:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Trading in tight H4 range and 3 Tap trade. Don't like the trigger yet.

Attached Thumbnails



-
- Nov 12, 2010 16:19



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [stevewide](#)

any hints how you decide to take a 1h BO overnight knowing you won't be able to see what the rsi's are doing when pending order is hit?

It's a little risky, but not much. Generally the only thing that will happen is that the trade will not trigger..or which is more likely, that the trade will trigger and the TP will be off. That is why I said earlier that it is a good idea not to try to bank a week's pips on this kind of trade. Stay modest with TP of 20-30 pips.

As far as watching the RSI directions after the trade triggers..they are generally going to go in different directions, especially on the lower TFs. As long as the weekly is still with us, especially from about Wednesday on, the trade generally will turn out fine. The weekly RSI, as I have said many times, is very very powerful.

-
- Nov 12, 2010 16:36



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

RSIs all down. Looks like a BO setup.

Edit: Sorry, wrong pair in title...correct chart **AUDUSD**
Attached Thumbnails



- Nov 12, 2010 17:07



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

It's a little risky, but not much. Generally the only thing that will happen is that the trade will not trigger..or which is more likely, that the trade will trigger and the TP will be off. That is why I said earlier that it is a good idea not to try to bank a week's pips on this kind of trade. Stay modest with TP of 20-30 pips.

As far as watching the RSI directions after the trade triggers..they are generally going to go in different directions, especially on the lower TFs. As long as the weekly is still with us, especially from about Wednesday...

Here is an example of setting a TF too remote for a pending order. This short BO trade triggered overnight, but my TP was set at 60 pips. As you can see, had it been no more than 30 pips, it would have hit profit. I did not take my own advice.. 😞

But because of the weekly trend and now daily and H4 I should hit profit.
Attached Images



- Nov 12, 2010 18:20

[PurePrice](#) Member Since Aug 2010

Member [2,358 Posts](#)

Just a little inspiration ... think about it

If you have a \$10,000 starting balance in your Forex trading account.

Assuming very minimal risk trading (much like is done in this thread), you would risk about 1% per trade, on a 3-tap 4HR trade this would be about a 50 pip SL. On a BO it is about 25 pip SL.

If 1% = 50 pips SL would equal about \$100 loss. That would mean your lot size is 0.2 lots (\$2 per lot) which is minimum risk.

Assuming you take about 10 x 3-tap trades per week on average and you have a 60% winning percentage with R:R of 1:1 that means you will win 6 trades and lose 4 out of 10. This should give you 300 pips (6 winners) - 200 pips (4 losers) for a total of +100 pips.

Assuming 10 x BO trades per week as well, with 25 pip SL and TP. The same winning %age

and R:R, you would have 150 pips (6 winners) - 100 pips (4 losers) for a total of +50 pips.

If you do a grand total, you would have +150 per week.

If each of your pips was equal to \$2, you would have a grand total of \$300 per week. which amount to 3% a week. If you risked 2 % per trade, you would be looking at 6% profit per week. NOW here is where compounding can really make a difference in your account balance.

Now if you continue to increase your lot size so that you are making 6% per week on your balance, your account balance would double every 12 weeks ... Also note that after 52 weeks (which is a complete year), your account balance would have grown to 20 times its size. With that in mind, you would have \$200,000. Now imagine if you can stay consistent for a couple years .. yes you guessed it, you would be a millionaire

Do you agree that you are seeing 60% or better winning percentage?

Do you agree that you average 10 3-tap trades per week?

Do you agree that you average 10 BO trades per week?

Just imagine the possibilities and keep this goal in mind.

-
- Nov 12, 2010 22:56



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by PurePrice](#)

Just a little inspiration ... think about it

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Assuming you take about 10 x 3-tap trades per week on average and you have a 60% winning percentage with R:R...

Assuming your first 6 paragraphs above, which are based on very sound MM and certainly doable with the discipline most of us have or will have with a little more experience,

...think of this...let's say that when your account reaches \$15,000, you pull \$5,000 out of it and use it for monthly bills or take the family on vacation or whatever. This will happen every 6 weeks or so. How many of us couldn't use an extra 5K every so often? This may mean that a spouse would not have to work and could stay home with the kids. Or getting totally out of debt. Or buying that car we might need (or want). Or

_____.

Managing your trading account this way has many, many advantages. First, and I believe most importantly, the trading pressure stays the same, the MM stays the same,

and the emotions stay the same. Risking 6% on a \$10,000 account is totally different than risking 6% on a \$200,000 account.

Another important factor...the time we spend doing this is often resented by our families. There is nothing like handing your spouse \$5,000 to spend as they please because of our trading and as a "thank you" for their patience with us doing this! It can change everything...just another way of looking at it.

- Nov 14, 2010 1:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

AUDUSD

Attached Thumbnails



- Nov 14, 2010 1:45



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

chart

Attached Thumbnails



- Nov 14, 2010 15:47



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by stevewide

lawgirl: In post 3145 you show a GJ 4h BO short which is against the weekly rsi3. I'm reading into this that it is just an example; and you rarely, if ever, no need to, trade against the weekly rsi3. However, in this case, it ran for 100+ pips as the GJ tends to be very very volatile.

Any comments you have that might help me think this thru? I was tempted to take either the attached 4h 3 tap or the 1h BO long trade after this BO short which paid well. Like you said in another post earlier this week you prefer to trade with the weekly rsi3...just...

I knew I would raise a few eyebrows over post #4136...both a short and a long trade. But if you run a vertical line through the breakout and another one through the 3 Tap, you will see the direction of the RSI confirmed both. I am not positive what the weekly RSI showed on the BO.

Attached Thumbnails



-
- Nov 14, 2010 23:51



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

3 Tap setup and trigger. If you trade this pair.
Attached Thumbnails



- Nov 15, 2010 13:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Morning All. I set this BO trade before I went to sleep. +45 pips.
Attached Images



• Nov 15, 2010 13:57



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I set this one to watch for BO. Just now breaking.

Attached Images



• Nov 15, 2010 15:15



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Looking to enter this trade. I'm going to wait for a M15 close below the support line, just like in a H1 BO.

Attached Images



- Nov 15, 2010 15:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

Looking to enter this trade. I'm going to wait for a M15 close below the support line, just like in a H1 BO.

I'm not liking PA, so I'm not getting in at least now.

Attached Images



-
- Nov 15, 2010 21:44



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I just had to revisit this beautiful trade. And now look at it..resting to go further down? PA is at a big support area now, if it makes it through this area, I look for it to go on to the 3550 level.
Attached Thumbnails



- Nov 16, 2010 3:16



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Finally, a little something to play with! Both a H1 4C BO setup and a 3 Tap set up. Still need to wait for the trigger...PA.
Attached Thumbnails



- Nov 16, 2010 3:21



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Long H1 4C BO..Resistance at the 84.90 level, but still room to travel 35-40 pips.
Attached Thumbnails



- Nov 16, 2010 6:42



[Hercs](#) Member Since Jan 2006
Senior Member [191 Posts](#)

Posted by [lawgirl21](#)

I have tried to recreate that 3 Tap trade. A TL can be drawn connecting the 3 candles on the H4 chart...a set-up. The trigger came on the next candle when PA headed in the desired direction.

But look what happens if you move the 1st tap away from that hammer candle and place it on the next candle...a 3 Tap trade. Some traders may have see that setup that way and not the way I saw it. No matter...look at the trigger candle for either interpretation..that was a 100+ pip move.

I hope this helps.

=====

Thank you LawGirl, much appreciated. I just needed confirmation of "moving" that TL.
Best wishes.

- Nov 17, 2010 15:48



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by PurePrice](#)

look at this pair now, all RSIs in alignment .. any thoughts?

It's doing the Ditch/channel bounce..back and forth. Good chance it will tap the support again and maybe go on down through it. You could play it two ways: the cautious way would be to TP near the support line. The less cautious way would be to leave TP open and watch to see what PA does.

Attached Thumbnails



- Nov 17, 2010 16:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A little late for the 3 Tap trade, but a BO is setting up.

Attached Thumbnails



- Nov 17, 2010 17:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

PA is not giving us a good entry into this trade yet..will wait it out.
Attached Thumbnails



- Nov 17, 2010 17:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by KillerAntz](#)

I'm waching this one also, M15 is almost closed.

One thing I should continue to learn is to set limits. I now stop trades at 10-20 pips because I'm scared and I'm taking what there is to take.

I do continue to follow the trade afterwards and see what should had happend IF I stayed, but that's easy :-)

But this way I wont cash 50 or higher pip moves :'(

I guess this will be growing when my experience goes up and I feel a more familiar with this method and the market.

Really study support/resistence areas. They generally show us everything. Sometimes they show us that 10-20 pips is right on target. Sometimes more like 30+. I really trust them for TP and SL areas.

- Nov 17, 2010 17:34



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

PA is not giving us a good entry into this trade yet..will wait it out.

Still can't enter this trade...

Attached Thumbnails



- Nov 18, 2010 0:25



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [PurePrice](#)

Quick scan off all RSI(s) to be in alignment on any pair and I see nothing... anyone else??
You are so right. This is the only interesting pair that I see now and I'm not sure what it's doing. Had a weak H4 3 Tap set up. Now looks more like a consolidation setup.

Attached Thumbnails



- Nov 18, 2010 3:00



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [Triple Kiss](#)

Hi LG,

Watching this Pair Too To BO. Hope Up.

I wanna ask : Is this Methode is Fit To Commodities (Gold, Silver,Oil)??

and Haow about Index (Nikkei, Hangseng, Kospi)? did you ever try That?

Thank for sharring.. 😊

A chart is a chart is a chart. This method should work on any charted price action traded fungible item. I know it works on gold and silver. I have never tried other exchanges.

- Nov 18, 2010 3:44



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

This pair has triggered on all of our setups: 3Tap Daily, 3 Tap H4, and H1 4C BO.

Attached Thumbnails



- Nov 18, 2010 3:59



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

H1 4C BO

Attached Thumbnails



- Nov 18, 2010 14:51



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

We finally saw the consolidation BO on this pair that we knew would happen. Not in the direction I was thinking it would go...but who cares...we follow the PA. This happened overnight for me so I didn't catch it. Hope someone did.

Attached Thumbnails



- Nov 18, 2010 14:57



[stevewide](#)

Member Since Sep 2006

God so loved the World [836 Posts](#)

Posted by [lawgirl21](#)

We finally saw the consolidation BO on this pair that we knew would happen. Not in the direction I was thinking it would go...but who cares...we follow the PA. This happened overnight for me so I didn't catch it. Hope someone did.

Weekly RSI still down so how risky was it to go long here? Thanks. Steve

-
- Nov 18, 2010 14:57



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

A nice BO for about 60 pips . Was on my watch list, happened overnight and I didn't set a pending order.

Attached Thumbnails



- Nov 18, 2010 14:59



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Same here..good for about 50 pips.

Attached Thumbnails



- Nov 18, 2010 15:01



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A 70 pip move up.
Attached Thumbnails



- Nov 18, 2010 15:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A 40 pip move up so far.
Attached Thumbnails



- Nov 18, 2010 15:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [stevewide](#)

Weekly RSI still down so how risky was it to go long here? Thanks. Steve
GBPUSD

I probably would have jumped in and taken pips on a pure PA trade, if I was watching it closely. All that would have been needed is to exit on the first hint of a red candle.

-
- Nov 18, 2010 15:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

All of the trades I posted above are ones that I set up before bedtime last night. All of them made good pips, except USDJPY, which may yet. The system really works.... 😊

-
- Nov 18, 2010 15:11



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Ph22](#)

= overall +37 = 🤖 well done!

Indeed! 🙌

-
- Nov 18, 2010 15:34



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Scrutch](#)

How about a...

H4-7T on the EJ 😊

I hope you got in on that 7 Tap trade, Scrutch...over 100 pip move.

-
- Nov 18, 2010 15:36



[stevewide](#) Member Since Sep 2006
God so loved the World [836 Posts](#)

Posted by [lawgirl21](#)

GBPUSD

I probably would have jumped in and taken pips on a pure PA trade, if I was watching it closely. All that would have been needed is to exit on the first hint of a red candle. Thank you. You are always so patient with I persistent questions seeking deeper understanding. It means alot. Steve

-
- Nov 18, 2010 15:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [stevewide](#)

Thank you. You are always so patient with I persistent questions seeking deeper understanding. It means alot. Steve
I enjoy your questions..keep them up.

-
- Nov 18, 2010 16:14



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [ovyeh](#)

what des trigger mean? buy when the 3 touch candle is either green for up or red for down? The **setup** would be the 3 Taps for a 3 Tap trade or the S/R lines for a BO trade.

The **trigger** comes after the setup..it can be hours after the setup in fact. The trigger gives us the entry into the trade after the setup has occurred. Sometimes a trigger never happens, in which case we abandon the setup.

In the chart above, the trigger will be PA heading up, in which case the candle (will likely be the next candle, or even the candle after that) will turn green, and the RSI H4 indicator will turn up. That is the trigger which tells us to enter the trade.

Requires patience.

-
- Nov 18, 2010 16:34



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [KillerAntz](#)

Can someone on this example shortly define how you would set your SL and TP based on the R/S levels so I understand on a real time example? (I do need to learn more about this to beter understand this process)

Finding logical SL and TP levels:

1. Minimize your chart (minus button on platform [-]). That's called pulling back on chart.
2. Using same TF, look for a levels of support and resistance. I did not see any on the H1 TF for this pair.
3. If you don't see any, move to next higher TF. In this case the H4 chart. Again look for levels of support and resistance. I still did not see any on this TF for this pair.
4. Move to the next higher TF, the daily chart...ah ha...there they are very clear.
5. That is where I put in my TP at around 84.26.

Same thing for SL.

Attached Thumbnails



- Nov 18, 2010 16:54



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Still not in this trade. M15 is squirrely... 🤔

Attached Thumbnails



-
- Nov 18, 2010 18:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This 3 Tap trade is almost at TP. Anyone else in it?
Attached Images



-
- Nov 19, 2010 1:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap trade set up. Waiting for daily to turn up to enter. Next candle change in 1 hr. so will probably wait and see what it does.

Attached Thumbnails



- Nov 19, 2010 15:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Pip26](#)

EurGbp BO

Very nice...hope you captured this! Also a H4 3 Tap trade

Attached Thumbnails



-
- Nov 19, 2010 15:11



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

3 Tap trade set up. Waiting for daily to turn up to enter. Next candle change in 1 hr. so will probably wait and see what it does.

Waiting for a trigger kept us out of this trade....good thing.

Attached Thumbnails



- Nov 19, 2010 15:19



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

This pair is getting ready to do something again. Maybe down according to the RSIs...but I was wrong the last time....

We knew this pair was going to do something and boy did it ever...Hope you guys caught it...

Attached Thumbnails



-
- Nov 19, 2010 15:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [TheDirtySerb](#)

Potential long here coming, waiting for pullback to break out level around 3595.

I dont know what the RSIs were doing at the BO point, but as a pure PA trade, this was a good one.

Attached Thumbnails



-
- Nov 19, 2010 16:04



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [ofer e](#)

Hi LG.

If i have on 1H BO a pure PA (on 15m chart) with no confirm weekly rsi.

Wold it be ok to enter?

You can, of course, take any trade you like. So far we have been sticking to the "rules", but this week I have noticed several of these very nice BOs with no real confirmation on the RSIs.

There was one yesterday, I believe, that we talked about.

If I had been watching that trade and saw that move, I would have taken it as a pure PA trade. In, and watching to get out at the first hint of a change in direction.

Remember, that we are trading what we see...meaning what we see happening on the charts. So, yes, please take those trades. They are gifts. And generally you don't even have to bother with a TP or SL, just rely on your own judgment. But don't step away from them either..monitor them closely.

-
- Nov 20, 2010 17:23



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I could not find a 3 Tap setup for this pair on any TF, but overall, PA is/was last week, definitely moving up. I looked at the H4 chart (also H1) and see that this pair has been trading in a tight range for the past 40 hours or so. It has to go somewhere sooner or later. This pair is definitely on my watch list.

Attached Thumbnails



- Nov 22, 2010 1:15



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

H4 3 Tap setup. Scrutch posted it earlier. Looking even better now.

Attached Thumbnails



- Nov 22, 2010 10:47



[Pip26](#)

Member Since Nov 2009

Following X to get the effect [1,275 Posts](#)

GbpUsd, GbpJpy, EurGbp

Attached Thumbnails



-
- Nov 22, 2010 11:34



Pip26

Member Since Nov 2009

Following X to get the effect [1,275 Posts](#)

UsdChf BO

Attached Thumbnails



- Nov 22, 2010 12:31



Pip26

Member Since Nov 2009

Following X to get the effect [1,275 Posts](#)

EurCad BO

Attached Thumbnails



- Nov 22, 2010 13:02



Pip26

Member Since Nov 2009

Following X to get the effect [1,275 Posts](#)

CadChf, EurUsd, AudChf breakouts.
Attached Thumbnails



- Nov 22, 2010 13:20

[LFB](#) Member Since Aug 2007

Member [202 Posts](#)

[Posted by Pip26](#)

CadChf, EurUsd, AudChf breakouts.

Pip26, could you tell us exactly on what criteria you have enter those Break Outs? Were you using M15 candles or any other way of entry point selection?

-
- Nov 22, 2010 13:28 | Edited Nov 22, 2010 13:32 - *add*



[Pip26](#)

Member Since Nov 2009

Following X to get the effect [1,275 Posts](#)

[Posted by LFB](#)

Pip26, could you tell us exactly on what criteria you have enter those Break Outs? Were you using M15 candles or any other way of entry point selection?

I keep an eye on the strength of any currency... presently Euro is weak and Chf is strong that's why i prefer only Chf and Eur pairs for now..

For entry i use different approaches... AudChf, CadChf i entered after H1 candle closed just below line of breakout level and next candles retested the line from below.

- Nov 22, 2010 13:40

[LFB](#) Member Since Aug 2007

Member [202 Posts](#)

[Posted by Pip26](#)

I keep an eye on the strength of any currency... presently Euro is weak and Chf is strong that's why i prefer only Chf and Eur pairs for now..

For entry i use different approaches... AudChf, CadChf i entered after H1 candle closed just below line of breakout level and next candles retested the line from below.

Ok, but why you have enter in the moment you did, it was not at BO line so how you decide when to enter?

- Nov 22, 2010 13:45



[Pip26](#)

Member Since Nov 2009

Following X to get the effect [1,275 Posts](#)

[Posted by LFB](#)

Ok, but why you have enter in the moment you did, it was not at BO line so how you decide when to enter?

There is breakout line on all charts...

-
- Nov 22, 2010 14:00

[LFB](#) Member Since Aug 2007

Member [202 Posts](#)

Posted by [Pip26](#)

There is breakout line on all charts...

Yes :-) and there a bit below is green dot - dot - dot line when you have entered. I am asking how you decide moment you enter, is it just random some below BO line, or you where using any specyfic enter cryteria for your enters? (those marked with green sell lines).

-
- Nov 22, 2010 14:10



[Pip26](#)

Member Since Nov 2009

Following X to get the effect [1,275 Posts](#)

Posted by [LFB](#)

Yes :-) and there a bit below is green dot - dot - dot line when you have entered. I am asking how you decide moment you enter, is it just random some below BO line, or you where using any specyfic enter cryteria for your enters? (those marked with green sell lines).

Its random mate... i just look at price action and triggered my button....

-
- Nov 22, 2010 14:21



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

H1 4C BO going on now.

Attached Images



-
- Nov 22, 2010 14:54



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Anyone catch this BO? Beautiful!

Attached Images



- Nov 22, 2010 15:15



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [TheDirtySerb](#)

Let me ask you something. What is the major trend on your chart? Does that not look like an up channel to you? Is there not support in the 132.20 - 132.60 area. Would you really enter a short position heading right into that support area? I dont mean to sound like an ass, but I'm just trying to figure out if you would really play a short breakout given what the chart is telling you. Good luck.

I would indeed, depending on what PA is telling me. Everyone has to develop there own style, but the only pair that I care about major trend for is EURUSD and that is the only pair I will trade on that basis...and I might add be prepared to survive a 180 pip DD.

The rest of the pairs, I am just trying to get 20 or more pips from. PA will tell us everything we need to know about whether or not we will be able to do that. Unless and until PA does that, I would not enter short here, but if it does tell me, I will enter short and hopefully make some pips. The only pair I am "married" to long term it seems is EU. The rest are just one night stands.

- Nov 22, 2010 15:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

For those of you who are watching this pair for a BO trade, move to a M15 chart and you will see very clearly that support area we were discussing earlier. Unless or until that area is broken, there is no entry on this pair short.

Attached Thumbnails



- Nov 22, 2010 16:03



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by LFB

LG i can't post chart right now but could you have a look at AUD/CAD H4 for 3Tap, does it look right ? (current, previous and 5th candle back)

Looks like a good setup and trigger.

Attached Images



-
- Nov 23, 2010 3:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Sorry.....EURCAD.....Potential H1 4C BO trade
Attached Thumbnails



-
- Nov 23, 2010 15:16

 [lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO going on right now.

Attached Images



-
- Nov 24, 2010 4:00

 [lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [CollectPIPS](#)

Are you in the long trade already? So, we ignore W1 arrow?

Bless!

No, I am not in any trades now except for EURUSD. These are all setups to watch. It is Tuesday, weekly RSI is not reliable yet so we look more to the other TFs and PA. I think you need to go back through the thread and read/re-read.

- Nov 24, 2010 16:01



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I entered a little ditch/channel trade short that is now in profit.

Attached Images



- Nov 24, 2010 16:19



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

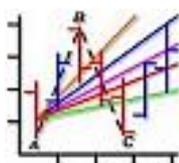
[Posted by LFB](#)

My ass was again kick hard but it seems i will get some profit at the end of the day. I must consider which hours i make profits, it seems to me that the best time is when LawGirl wakes

up (maybe open of NY session has something to it too 😊).
Could you all please share what time you think both those trade tactics works the best?
Are you overtrading? We need to analyse the problem.

I believe most traders will tell you that the best time to trade is during London session. But my whole premise is that plenty of money can be made any time a trader with a good plan can find the time to concentrate for awhile. If it looks to you like the best trading is when I wake up, it would only be because both NY and London are open at the same time for a few hours.

• Nov 24, 2010 18:26



[Scrutch](#)

Member Since Dec 2008

Get rich slowly... [650 Posts](#)

Yes, both setups need to be in agreement for an A++ trade.
If you only have one of the two setups and the RSI's are in agreement, I consider that to be an A+ trade. When they happen together, the odds of a **great** trade increase dramatically. I don't take these just any time that both conditions are true.

I, want to see the H4-3T happen first, most likely the RSI's wont be in total agreement at that time.

Then, I want to see the breakout happen within a few hours, two or three at the most, with four hours maximum. After four hours I feel that the real advantage has expired. Not that it will not or could not still be a very nice trade, just that it no longer has the force of the dual confirmation behind it.

The CADJPY breakout occurred about two and a half hours after the H4-3T.
The USDCAD breakout occurred about three hours after the H4-3T.

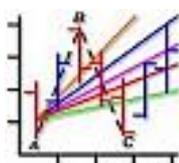
For either of these trades I'm looking at the M15 chart for the breakout confirmation, and yes price action needs to reflect the momentum as well.

IF, the H4-3T setup occurs **and** the H1-4C-BO setup occurs in thirty minutes or less, then... 🤖, I think that would be an A+++ trade. When this happens I'm usually looking at a M5 chart for entry because I want to get in as early as I can...depending again on price action.

[Posted by lawgirl21](#)

Hi Scrutch-- Are you considering pairs with **both** set ups as A++ trades? I think we would all benefit from an elaboration on how you pick those trades.

• Nov 24, 2010 19:16



[Scrutch](#)

Member Since Dec 2008

Get rich slowly... [650 Posts](#)

I don't mind if you want to reference my response. It's your method that brings all this together, I'm just trying to isolate the excellent trades from the good trades.

I watch the majors mostly but also keep an eye on the others as well. To keep a close watch on them all is a bit daunting but it's doable because of the time frame involved. I do pay close attention to the spread, which influences whether I want to take the trade or not. If the spread is large, then I'll just pass on the trade.

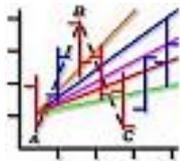
I draw all potential H4-3T's that I see and adjust them as the market moves, regardless of the RSI's. At times I'll have two H4-3T's drawn, a bullish **and** a bearish. Then I adjust them as the market dictates direction.

I draw all the H1-4C-BO's at the close of the fourth hourly bar from period separator to period separator. At times I will start drawing these sooner...depends on what the RSI's are showing me.

[Posted by lawgirl21](#)

Are you limiting the number of pairs you watch, Scrutch?
Would you mind if I put your earlier response on Page 1 here?

- Nov 24, 2010 21:33



[Scrutch](#)

Member Since Dec 2008

Get rich slowly... [650 Posts](#)

"Scrutch Special?" 🤔 ...no, that's not right 🤔...perhaps this?

NO...price action is extremely lame, it should not be showing you all the green and red candles. The breakout move should be quick and decisive, not wandering around like a lame duck. And the RSI's should have been in alignment about or at the same time as the breakout to add value to the trade.

The "fake out" stopped right at short term support.

Another thing (JMHO), it's late in the session, New York is the only major player at the moment and most of these players have gone home on holiday and the few of them that do come back, won't show up until this weekend. The only ones left, use this as a time for squaring up their books.

[Posted by Ph22](#)

GU combo setting up. Could this be a potential "Scrutch Special?" 🤔

- Nov 24, 2010 21:46



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

..is approaching the major support area of 1.3300 I have been looking for the last couple of weeks. If it heads on through it in the next few weeks, it may seek the next big level of 1.2700.

Attached Thumbnails



-
- Nov 26, 2010 13:27



[Pip26](#)

Member Since Nov 2009

Following X to get the effect [1,275 Posts](#)

Posted by LFB

Do you know on what those values are based, other words how it is calculated?

And the most important thing, do you think it works well for H1 BOs ?

I am not that much technical about calculations. I m using this meter for almost 5-6 months, use only to find the strong/weak currencies combinations and then select the pairs to trade.

I am also testing it with LG method, so u can test it and find the result

-
- Nov 26, 2010 14:58



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by Precap2

I see all forms of crazy BOs every time in this thread. May I say that BO must have at least 2 candles in the congestion area and no maximum. Someone can't possibly arbitrarily draw a line in the middle of his chart and tell us a BO is expected. We're all learning and when I took up this business I was ready to be a student all my life (hope no one takes it personal tho).

Hope everyone had a great thanksgiving.

PC2

It is almost that simple, Precap, that a line can be drawn in the middle of a chart and a BO can be expected. But there is nothing arbitrary about it. When there is congestion and tight range

PA over a period of time, sooner or later, but **100%** of the time, there is going to be a move in one direction or another.

- Nov 26, 2010 15:21



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Nice H1 4C BO trade for over 100 pips. Retracing now.

Attached Images



- Nov 26, 2010 15:34



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by Centu](#)

i'm also waiting for the push quite a while. patience buddy 🙄

At this point, I would mark this pair as a potential consolidation BO trade, but not sure in which direction it will break--long or short. Be prepared for either direction.

Attached Thumbnails



- Nov 26, 2010 15:25



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This was a beauty that I had on my watchlist and still missed 🙄. Hope someone caught it. Both a H4 3 Tap trade and an H4 consolidation BO. Double confirmation. I think Scrutch would have called this an A++ trade.

Attached Images



- Nov 27, 2010 16:59



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

End of the month is a good time to go back and take a look at your favorite pairs and assess where the pair has been during that time and more importantly, where it might be going the next month.

I like to print out the monthly chart for a few pairs so that I can refer back to them from time to time, mark them up, make notes on the them and watch the PA changes throughout the month.

For example: **USDJPY**

This pair reached 7 year lows in October 2010. Notice how PA has been making perfect lower lows and lower highs since 2007 (beautiful waves).

But this past month, PA turned around and started up. If past PA is any indication of projected PA, it should continue up to the 86.60 area, maybe higher.

It will be very instructive to watch. Again, I highly recommend for everyone, especially newer traders, to pull up the charts, place R/S lines on them, mark them for 3 Taps, and print a few out to watch throughout the month.

Attached Thumbnails



-
- Nov 27, 2010 17:14 | Edited Nov 27, 2010 17:32



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Another monthly chart that should be printed out.

PA almost returned to October 2008 lows, but stopped and reversed just north of that huge support area. There is now a perfect **3 Tap** monthly setup and trigger. If PA continues down

for the new month, and for those of us with the trading temperament to withstand big DDs, PA may try to retest that 1.4500 area.

Attached Thumbnails



- Nov 28, 2010 18:29



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Yet another interesting monthly chart. PA broke through 2008 resistance level in October 2010, and appears to be heading back down and if that pin bar is honored by PA, it will continue down.

BUT, take a look at the weekly chart..PA is having a great deal of trouble getting down through that old resistance level, which of course, is now the support level.

If and when it breaks that support level, it looks like a nice ride down.

Attached Thumbnails



- Nov 30, 2010 2:36



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A trade posted earlier that is up over 60 pips.
Attached Thumbnails



- Nov 30, 2010 15:11 | Edited Nov 30, 2010 15:26



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Night all. I set two pending BO trades for the night. EURGBP and EURJPY..will see how they turn out tomorrow morning. Good trading you London session traders!
Both triggered EURJPY hit TP +77; EURGBP still running... up 50 pips. My GBPCHF 3 Tap off the daily chart hit TP for +110 pips.

Reading back through posts, looks like everyone made pips! Good work all! As pippete said, it was a pip fest!

- Nov 30, 2010 15:31



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

This chart may have been posted already..so many good trades they are hard to keep up with..but this is one we were watching last night. Had a 100+ pip BO from consolidation on the H4 chart. Beautiful!

Attached Thumbnails



- Dec 1, 2010 1:14

[duffypratt](#) Member Since Sep 2010

Member [563 Posts](#)

Posted by [Location](#)

Duffyprat:

Your breakdown of the "theory" behind 3 Taps was masterful. It definitely helped me

understand what's happening better. If it's not too much of an imposition, would you be willing to breakdown how you make sense of the H1 Breakouts?

There are several different breakouts here. There is the H1 broker opening four candle breakout, the H1 consolidation breakout, and the Two Tap, move to H1 for confirmation breakout. The last is simply a variation on the three taps, so I won't talk about it here. The idea is the same as the three tap trade, but it looks for a different trigger.

The H1 consolidation breakout is the easiest to understand. It pays no attention to RSIs. Instead, in an H1 consolidation, the idea is that the trading range is holding steady and actually getting smaller and smaller over a fairly long period of time. The longer the consolidation lasts, the more likely that there will be an explosive move to break the consolidation.

Thus, when you see a long period of consolidation, you simply draw your horizontal lines at the top and bottom of the consolidation channel. Where, exactly, those lines will go will depend a bit on the channel, but if its not pretty obvious where to put them, then you probably don't have the kind of consolidation you are looking for.

Then, when price moves outside the channel, you wait for a decent PA confirmation. I think LG uses a full candle on the M15 chart outside the channel. Stop goes on the other side of the channel. As I said before, the trend doesn't matter too much because the long period of consolidation is an indication of extreme uncertainty in the market, and the price is just as likely to move either way.

I have a harder time understanding the broker opening four hour breakouts on the H1 chart. LG says that you use the opening of the day that your broker uses. I'm not sure, but I'd be willing to bet that there are brokers that use at least 8 different times for opening. To me, this implies that this technique might work on almost any four hour period. Having said that, I am very skeptical about whether that's true, and I doubt that anyone has thoroughly tested it.

I once thought that the rationale was as follows. My broker, and LG's both start their days during the doldrums of the market. That's typically from about 4pm EST to about 11pm. Volatility at that time is low, and there isn't much movement in most of the currencies, especially the non-Asian ones.

The channel that you draw thus often resembles a mini-consolidation channel, and the trade seems to work like a consolidation trade. What happens is that Frankfurt or London opens, and the currency takes off again in the direction of the prevailing trend. And of course, the trade already has an edge because it only looks at currencies where the RSIs all line up.

Recently, LG has also noted trades of this type where its pretty clear that the pair is already trending. When this happens, I see what's going on as a kind of momentum trade. The RSIs are lined up, the PA is moving favorably, and you jump on the trend.

What the four candle, one hour trades have in common with the three taps trades is the three step process to get into the trade. There is 1) the filter of trading in the direction of the trend as confirmed by the RSIs, 2) the signal of price breaking out of a pre-defined channel, and 3) the trigger of Price Action in the direction of the trade (here by a full M15 candle outside the channel).



- Dec 1, 2010 3:13



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Breaking out.
Attached Thumbnails



- Dec 1, 2010 14:33



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Hope some of you caught this BO going down. Now looks like there will be a BO going up.
Attached Thumbnails



- Dec 1, 2010 16:03



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by Pip26

1st negative day so far... got 3 trades 2 losses 1 profit so atleast i recover some loss with GbpChf trade.

but today is not the last day in forex.. keep moving on.. leave it for another day.

Absolutely right, Pip. This is the kind of day that really tells us what we are made of as traders. Remember that most of us had already made pips before yesterday. I had more than reached my goal by Monday/Tuesday and had stopped trading live.

There is a lesson to be learned here. If you had reached a goal earlier this week and kept trading live.....check that greed level, it will get 'cha every time.

- Dec 1, 2010 16:23



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by LFB

Thank You for these words.

LG-> I trade demo only and this is why i don't stop because i learn every day. The problem is i

treat it very seriously and what to have some gains at last 😊
This week has two more days so maybe tomorrow will be better day.
Still, one will trade live the way one trades demo, so I believe it is essential to condition one's self to stop trading demo after goal reaching. It is very difficult to do.

You might want to set up 2 demo accounts...one that is the "real" demo account, the other the experimental/learning demo account. And always set up the "real" demo account with the same amount of money you intend to start your live account with. That way, the lot size and MM is the same..no adjustments to be made. The learning demo account can be higher, because losses aren't a big concern.

- Dec 2, 2010 1:39



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Scrutch](#)

CJ:
H4-3T setup
Weekly RSI is weak down.

[Attachment 590791](#)

This pair has been trading a tight range for DAYS...it will be nice when it finally blows!
Attached Thumbnails



- Dec 2, 2010 4:33



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [leelar](#)

Hi LG, I have seen many occasions of you saying "Just watch PA".

I have a hard time understand what that means. Price acts differently every single tick, it is up on tick, it can be down next tick. Whatever you see actually was already happened otherwise you wouldn't be able to see it on the chart right?

What does that mean trade what you see, trade what the price action is telling you, etc....

Thanks in advanced.

I will attempt to answer this question, "What is price action?" but it will be inadequate as there has been much written about PA and most of it is beyond the scope of this thread.

Basically, PA is the path or footprint of the money as it is being traded. Following PA is the original, "follow the money", because that is literally what we are doing when we watch the movement of the PA, represented on our charts by candles, go up and down.

Trading PA is the only way to trade naked, in that PA is happening in real time. Hence, indicators as the RSI are considered lagging indicators...i.e. they lag or form after the movement of the naked price.

However, each candle representing PA has a relationship with the candle before it, as well as with the candle after it. The relationship of the candles and placing money (an order) on that relationship is called "trading". Our success as traders depends on how well we are able to interpret that relationship.

-
- Dec 2, 2010 13:33



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I set this pending order. Triggered and in profit, but struggled.
Attached Thumbnails



- Dec 2, 2010 13:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Pending order. Hit my TP +70
Attached Thumbnails



- Dec 2, 2010 13:50



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This may be a fun trade. We talked yesterday about this pair trading in a tight range for days. All RSIs are pointing long. We "expect" that PA will continue up. I took a ditch/channel trade, hoping to make some pips between now and a BO.

Attached Thumbnails



-
- Dec 2, 2010 16:18



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO occurring now.

Attached Thumbnails



- Dec 3, 2010 3:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Potential BO.

Attached Thumbnails



- Dec 3, 2010 3:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Potential BO.

Attached Thumbnails



- Dec 3, 2010 3:54



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I am going to wait until that M15 candle closes and the next one opens before I enter.

Attached Images



-
- Dec 3, 2010 4:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

I am going to wait until that M15 candle closes and the next one opens before I enter. This stubborn little candle will keep me from entering this trade unless/until it heads down and stays there. 😞
Attached Images



- Dec 3, 2010 4:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

This stubborn little candle will keep me from entering this trade unless/until it heads down and stays there. 😡

Back to watching a M15 candle again...

Attached Images



- Dec 3, 2010 15:53



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

Now is a great opportunity to catch pips as they retrace or "recover" from the huge spikes, as we know that most pairs will not continue up or down after spiking. It's a little like gap trading, in that we look for filling. BUT, if you decide to do this type of trade, watch PA carefully and don't look for unreasonable pips.

Retrace trade

Attached Images



- Dec 3, 2010 15:55



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Another Re-trace trade

Attached Images



- Dec 3, 2010 16:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

Retrace trade

Exited this trade with +20 pips, then immediately set a pending order about 10 pips higher than my exit to get in again and hopefully take about 20 pips more.

Attached Images



- Dec 5, 2010 15:36 | Edited Dec 5, 2010 16:52



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [haveadream](#)

hi there,

im new to the forum and have been following this thread with great interest cause of its simplicity and great explanations by lawgirls and her charts.

I have always been intrigue by forex and have been lurking around FF reading through all the systems posted by many folks here. Being doing that for about 6 mths with systems that i can understand and testing it out on demos, some with minimal success and some went down in a blaze of glory.

Mostly i have been looking at scalping techniques which is a little too consuming on my time on...

Welcome to the thread, TIA. That is a good question and there are probably many good answers to it. I would highly recommend that you start with only 3 pairs, any pairs, to concentrate on for awhile. Post charts and mark them for 3 Taps and BOs until you see those

setups without having to draw a single line.

I scan about 20 pairs and generally come back to about 3 to really concentrate on. I'm looking at trend confirmation first, then long term support/resistance, then a way for a possible entry i.e. 3 Taps, H1 4C BO, consolidation BO or a channel trade.

- Dec 5, 2010 23:54



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Potential H4 consolidation breakout.

Attached Thumbnails



-
- Dec 5, 2010 23:57



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I really like the potential of this set up as a BO trade.

Attached Thumbnails



- Dec 6, 2010 14:56



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This was a nice BO for 90+ pips.
Attached Thumbnails



- Dec 6, 2010 14:58



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

When this pair finally as a BO, it should be for some very good pips. I've been watching it since last week.
Attached Thumbnails



-
- Dec 6, 2010 15:51



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm watching for another BO after the BO...
Attached Images



-
- Dec 6, 2010 16:15



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [LFB](#)

Look also at GBP/USD. It is now at bottom of the uptrend channel.
It's on my radar too. BO after the BO. Not so sure I agree with you about the uptrend channel though.

Attached Images



- Dec 6, 2010 18:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [Triple Kiss](#)

H4 BO setup, waiting for RSI Confirm and the Last Candle Took Off (PA), Am I right LG?
On a H4 BO, go down to the H1 chart and wait for a close outside the R/S line..just like a H1 BO using a lower TF for entry. You can wait for that H1 candle to go completely down for further confirmation.

Attached Thumbnails



- Dec 8, 2010 1:08



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [david4u](#)

Trade closed +71 pips 🤗 my entry and exit as shown in the chart.

LG , I would like to ask for the "by the book" trade in this case.

I can see possible entries at #1 ,#2 that depending on your trade management could have finish with a loss (if SL is placed at the other side of the 4 hours lower border).

How would you filter entries at #1 & #2 ?

Do you wait for a H1 bar to close outside of the 4 hours box ?

Do you switch for this purpose for a lower TF like M15 ?

Would you have waited in this case for price to cross Today's High at C ?

I set TP...

Hi David, I do not typically wait for the close of the BO candle to close above/below the S/R level. That is when I will move to the M15 chart and wait for a complete close outside of that level. However, the last few trading days have made me a little more conservative, in that I want to see more confirmation that the BO is not a false one. So I am waiting for more than one M15 candle to close and continue in my direction before entry.

I only look at reasonable S/R levels fr TPs and SLs, which will often be the prior day's high/low, but I don't ever intentionally look at the prior day's highs/lows for a level. Nothing wrong with it if that's what you want to do.

I don't use H1 RSI for exit purposes, although I find greater comfort in the trade if H1 stays with me.

- Dec 8, 2010 2:11



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [decades](#)

stopped out -24

MFE +11

That trade ran for over 100 pips, decades. That would have been a great trade. Not only that, it was a BO trade too. You need to look at your stops..if they are less then 50 pips, then your stops are too tight for an H4 chart, in my opinion.

Attached Images



- Dec 8, 2010 4:54



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

BO

Attached Images



- Dec 8, 2010 5:34



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In this trade.

Attached Images



- Dec 8, 2010 14:19



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Woke up with +30 pips each on AUDCAD and AUDUSD.

- Dec 8, 2010 16:35



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

What is happening with this pair is why, to me, trading is so fascinating.

I was watching this pair for a BO down not 30 min. ago. But now, I am watching it to continue up through the support level, maybe even the resistance level. The weekly RSI should now be fairly reliable.

Attached Thumbnails



- Dec 8, 2010 16:50



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

In this trade short.

Attached Thumbnails



-
- Dec 8, 2010 17:05



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I should have paid more attention to support levels..PA is struggling to get through them now.
Attached Thumbnails



-
- Dec 8, 2010 21:28



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

I should have paid more attention to support levels..PA is struggling to get through them now. Out with 40 pips.

- Dec 9, 2010 1:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by LFB](#)

Hi LG

I have next question. Does your take trade approach differentiate for first and second half of the week. In the first part we have no really set Weekly RSI so do you use any extra triggers? I ask also because i live in GMT+1 zone, and daily RSI is not set (if i understand correctly) for the first part of the day. So i am curious if before NY opens i should use any additional criteria to enter three tap trade.

Yes, LFB..the approach is a little different at the beginning of the trading week than at the end of the trading week.

Reliance on the weekly RSI, which I believe to be the strongest trend indicator available anywhere, is not "firmed up" until about the middle of the trading week. So we look for other confirmation for a trade. That is why BOs are so good for the beginning of the trading week.

The same is true of the monthly RSI, we are now in the 5th trading day of the new month. Can we totally rely on the direction of the monthly RSI at this point? I don't think so, although I have never seen hard data on timing. But as the month proceeds, the momentum of the market is such that it simply cannot be turned around easily. Somewhat like a huge ship that has to make a sudden stop...can't be done.

When we have the direction of the weekly RSI and the monthly RSI confirming each other as we have now on several pairs, we are beginning to see trend "power".

The 3 Tap trade, coupled with an H1 4C BO with conforming RSIs is the most powerful setup and trigger, I believe available anywhere. I do not know of and have never seen a better "edge" for a winning trade.

•

- Dec 9, 2010 16:04



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm trading this last H1 candle down to support level, maybe beyond depending on PA. Attached Thumbnails



- Dec 9, 2010 16:12



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

I'm trading this last H1 candle down to support level, maybe beyond depending on PA. Out with +25 pips. I may reenter, depending on PA.

- Dec 10, 2010 2:18

[pippete](#) Member Since Oct 2010

Hey, how about F9? [641 Posts](#)

Hey LG, since it's the dead Asian session, I wanna ask a question. I have been having considerable losses with the 4C 1H BO trades lately, so bad that I stopped them altogether...

Since December 1st, I had maybe 1 out of 10 wins (these were on my live acct.. 😞) Looks like what I make during the day, I lose at night... On my demo they worked great. Please tell me it's just because it's december or some weird market shakiness, because I'm ready to give up on them. Still loving the 3taps and 4h consolidation BO's (my favorites), but the Asian/London session has not been nice to me at all. I'll still demo some, but wonder if you have any insight into what's happening.. I noticed you turned more conservative on those too... Thanks, PipPete

- Dec 10, 2010 2:35



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [pippete](#)

Hey LG, since it's the dead Asian session, I wanna ask a question. I have been having considerable losses with the 4C 1H BO trades lately, so bad that I stopped them altogether...

Since December 1st, I had maybe 1 out of 10 wins (these were on my live acct.. 😞) Looks like what I make during the day, I lose at night... On my demo they worked great. Please tell me it's just because it's december or some weird market shakiness, because I'm ready to give up on them. Still loving the 3taps and 4h consolidation BO's (my favorites), but the Asian/London... This was probably not a good time to go live. There has been considerable talk about the last 2 weeks and how erratic the market has been. It was like a curtain came down on Dec. 1...I found it that dramatic. I know some traders who traditionally will not trade the month of December at all.

Scrutch and I were talking about how the first of the trading week seems to have gotten stronger, with a fizzle out toward the end of the week. Up until this month, by Thursday, trends were ATMs of pips. Everything goes in cycles, the pip ATMs will come back..although maybe not this month.

Remember too that determining one trade set up over another is part of being a good trader. So, if H1 4C BOs are not working for you now, and I agree with you they are very hard right now, don't use them for awhile or only use them on demo. Consolidation BOs are about my favorite set up too. But have you noticed that they are staying in consolidation longer lately..just this market.

Don't get discouraged. This is just part of trading.

-
- Dec 10, 2010 16:20



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO?

Attached Thumbnails



- Dec 11, 2010 16:51



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I've been giving this a lot of thought and believe that basically there are 4 steps to becoming successful in this crazy business. Just my opinion, so please add your own comments.

1. **Losing** - because of one, or a combination of poor money management, lack of discipline, insisting on reaching that TP no matter what, poor set up and entry strategy, poor exit strategy, letting a winning trade turn into a losing trade, "knowing" what the market will do. Ego;

2. **Making pips, then losing them** - reaching a daily/ weekly goal, then continuing to trade believing you "know" what the market is going to do, the "just one more trade" syndrome, just a few more pips. Ego;

3. **Making pips, and keeping them** - reaching a daily/weekly goal and stopping live trading, using the rest of the trading week to review charts, watch PA, experiment with set ups and trigger. Humility.

4. **Withdrawing profits from account** - repeating step 3 again and again until enough money has accumulated for a rewarding withdrawal. Then repeating steps 3 and 4 over (and over) again. Humility.

Every trader goes through these steps to one degree or another. The goal is to get to step 3, then on to step 4. I personally struggle with sometimes reverting back to step 2.

- Dec 12, 2010 18:28



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

[Posted by GerryS](#)

I could not agree more... Amen LG.... The market has been closed for 2 days... What home work have you done....I am on page 187 and still going during that time I have seen what to do and what not to do and picked up a couple more indicators and EAs along the way that I will look at. Thanks to those that have come before me and LG for starting the thread.

I do study every weekend. Heading to church now, but have been studying Elliott Wave theory in relationship to our 3 Tap trade setup..very interesting..there is a definite relationship as far as I can see.

- Dec 13, 2010 16:10



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Railroad track candles. Hope to get a quick 20 pips here.
Attached Images



-
- Dec 13, 2010 16:16



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

Railroad track candles. Hope to get a quick 20 pips here.

Out with +20 pips

- Dec 13, 2010 16:06



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Consolidation BO
Attached Images



- Dec 13, 2010 16:33



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

Consolidation BO

Hit my TP. Out with +28 pips.

- Dec 14, 2010 14:59



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I just entered this pair short on a small H4 consolidation BO

Attached Images



-
- Dec 14, 2010 15:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by LFB

LG could you tell us more about your risk management. I know already that if you enter transaction you use S/R levels for TP and SL (but you rarely set it). But what then. If transaction starts to move your way and it does positive pips. What then. When you set your SL in position that will not let this transaction turn into minus? When you decide to not go for the full TP and exit earlier? I know that you do this observing PA, but could you tell me, and Us all what are those decision points that push you to do something?

I am following your thread...

I would be happy to LFB. I trade from \$10,000 accounts live and demo. At one time I traded 2 full contracts per trade with a bigger account. Now I use 1 full contract (\$10) per pip because the market has changed somewhat and because I want to trade like I hope most of you are trading, whether live or demo.

I am prepared to take a 50 (\$500) pip loss on any trade, which is 5% of the "seed" money. I never adjust that with wins or losses...it's always 50 pips. I don't pay attention to R:R ratios..I

tried that and found it was a waste of time for me. (might be good for some). I will risk \$500 to gain \$400.

I have laser like focus on 100 pips per week live and will trade until I get that, on demo I usually get many more pips per week.

Once I add \$5000 to my base/seed account, I withdraw it and repeat the process over again until I build up another \$5000...very boring stuff, because my risk is always \$500, my goal is always 100 pips.

I take profits 20, 30, 40 pips at a time. I am not looking for long pip runs although I think they are great. I just want that 100 pips per week.

I hate, hate, hate letting a positive trade turn into a negative one, although it's going to happen from time to time. If I am watching the charts, I seldom set my 50 pip SL. If I am in profit for a trade, I will often move to BE.

Looking at this current GBPUSD trade..I will let it go to my TP level which was a R/S level that looked reasonable to me. Sometimes I will exit early depending on PA.

Attached Images



- Dec 14, 2010 15:52



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I exited about 6 pips short of my TP. Out with +72 pips. PA was jumping around on the M15 chart.

- Dec 14, 2010 17:11



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

There has been about a 200 pip move down on this pair. I hope some of you caught at least some of it. (Bernard Baruch)

I have just entered a short trade after a little pullback. Hoping there will be a continuation to the downside. BO --> Pullback --> Continuation (the Zorro move)

Attached Thumbnails



- Dec 14, 2010 17:18



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by lawgirl21](#)

I have just entered a short trade after a little pullback. Hoping there will be a continuation to the downside. BO --> Pullback --> Continuation (the Zorro move)

Out with +35 pips. By the time I finished posting this chart, PA had moved into profits. Exited again, because M15 chart was bouncing.

- Dec 14, 2010 17:30



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [CollectPIPS](#)

Hi LG

How did you decide to trade BO on the down side & not on the up side that happened earlier?
Thx.

This trade was easy, as there was no break at all to the upside, only the downside. Trade the side of the BO.

Pippete's trade was a little more difficult because there was somewhat of a BO to the upside before the solid BO to the downside. He will explain how he chose the correct direction.

-
- Dec 14, 2010 17:50



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [KillerAntz](#)

My suggestion would be PA, that was pointing down for this trade, plz correct me if I'm wrong.

You are correct KA, but I want to make a distinction here:

PA does not point, it **moves**, taking the pair with it. It is alive.

RSIs **point** in the direction that PA has moved. It is "dragged along" by PA and is totally dependent on what PA does. Kinda like that schoolyard bully that "made" us get into trouble.

This distinction seems minor, but it is an extremely important one.

- Dec 14, 2010 18:46



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [david4u](#)

Hi LG

In many cases you wait for 2 bars on the M15 chart to close before you take a trade. I have marked in blue some cases when this happened before the "real move".

Do you recommend of any type of filters to try to avoid those fake breakout?(Using consolidation setups+H1 BO)

Not always it's possible .Some times we may loss before we catch the "real" move.

One possible option may be to wait for London open , assuming the real move will happen afterwards.

Can you please give us your point of view ?

Tks

David

I know of no way to totally avoid taking a fake BO on occasion. Consolidation + H1 4C BOs + 3 RSIs in the same direction is the strongest setup there is, in my opinion. But, even that could

fail from time to time.

This is a much easier trading week, but the 2 weeks before that I would often watch the M15 chart for 3-4 closes and continuations before entering. I personally cannot stay up for the London session, so that would not be an option for me. Yet, I do not find any lack of good trades almost anytime I have the opportunity to study charts.

I don't know if this helped. But, again, losing trades are just part of doing business.

- Dec 14, 2010 21:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A Zorro trade

Attached Thumbnails



- Dec 15, 2010 2:29



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I had to readjust my Zorro trade trend lines, but PA is still going in the right direction.

Attached Images



- Dec 15, 2010 2:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H1 4C BO set up and Zorro...(BO--Pullback--Continuation) Still need to follow regular rules for entry.

Attached Images



- Dec 15, 2010 5:20



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I am introducing a new filter to our trading arsenal..the Zorro Continuation (ZC), I call it although it is just a wave pattern that has been used for decades.

I am still testing it and have already posted several charts showing it. The Zorro lines are not

to be viewed as trendlines, rather they are merely directional lines indicating a breakout (BO), a pullback and hopefully a continuation in the direction of the BO.

The RSIs remain our mainstay in determining strong directions. The neat thing about the ZC is that we look for it after a major BO in one direction or the other. It is a way to re-enter a trade after taking profit from a good BO. Please ask questions or give comments...like I said, I am still testing it.

Attached Thumbnails



-
- Dec 16, 2010 15:16



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H4 3 Tap set up and trigger.
Attached Thumbnails



-
- Dec 16, 2010 15:22



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Setting up for a ZC short trade.
Attached Thumbnails



-
- Dec 16, 2010 15:48



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Always know which stage you are in!

- 1. Losing** - because of one, or a combination of poor money management, lack of discipline, insisting on reaching that TP no matter what, poor set up and entry strategy, poor exit strategy, letting a winning trade turn into a losing trade, "knowing" what the market will do. Ego;
- 2. Making pips, then losing them** - reaching a daily/ weekly goal, then continuing to trade believing you "know" what the market is going to do, the "just one more trade" syndrome, just a few more pips. Ego;
- 3. Making pips, and keeping them** - reaching a daily/weekly goal and stopping live trading, using the rest of the trading week to review charts, watch PA, experiment with set ups and trigger. Humility.
- 4. Withdrawing profits from account** - repeating step 3 again and again until enough money has accumulated for a rewarding withdrawal. Then repeating steps 3 and 4 over (and over)

again. Humility.

Every trader goes through these steps to one degree or another. The goal is to get to step 3, then on to step 4. I personally struggle with sometimes reverting back to step 2.

-
- Dec 17, 2010 0:30



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by The Sage](#)

ZC?

AUDUSD

I am introducing a new filter to our trading arsenal..the Zorro Continuation (ZC), I call it although it is just a wave pattern that has been used for decades.

I am still testing it and have already posted several charts showing it. The Zorro lines are not to be viewed as trendlines, rather they are merely directional lines indicating a breakout (BO), a pullback and hopefully a continuation in the direction of the BO.

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Attached Thumbnails



-
- Dec 17, 2010 2:33



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [The Sage](#)

LG, where do you think the TP should be on usdcad short? I'm debating wether to put it with my eye on the 4H or the Daily? Around 1.0031 or 1.0000?

There are two nice support areas on the H1 chart, without having to go to up a chart to H4 to find a reasonable level.

Attached Thumbnails



- Dec 17, 2010 15:24



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [The Sage](#)

Here is something to help you guys avoid putting all your eggs in one basket, without even knowing it:

<http://www.mataf.net/en/tools/01-01-correlation>

(There are many sites that present this data, so make sure you compare the data on the site above regarding a certain pair with the data on other sites - just to be on the safe side).

I knew about basic correlations, but this site is very cool. Thanks for directing us to it, TS. It will be fun to study over the weekend.

- Dec 17, 2010 16:00



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Textbook example of Breakout-->Pullback-->Continuation (Zorro) trade.
Attached Thumbnails



-
- Dec 18, 2010 15:37



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [Ph22](#)

I came across this and thought I would post as I think it could be helpful to anyone on the thread new to BO trading.

<http://www.babypips.com/school/types-of-breakouts.html>

I love babypips.com. That's where I first went to learn about forex.

-
- Dec 19, 2010 16:16



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Analysing a forex chart is much like analysing a legal program...you go from the broad to the narrow. In law we go from the general legal concept--the broad-- to the particular facts and

issues at hand--the narrow. In forex we go from the broad (the weekly or montly chart) to the narrow the H1 chart.

For purposes of analysis I am using the EURUSD chart. Starting with a totally naked weekly chart, zoom in so that approximately 5 years of data is on the screen as below.
Attached Thumbnails



-
- Dec 19, 2010 16:22



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Next, place horizontal lines at the most significant highs and lows. I am using red lines..as below. There is no right or wrong way to do this, just don't "overmark" the chart. I have placed 5 lines on the chart...so marked.

Attached Thumbnails



- Dec 19, 2010 16:30



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Click on the **daily** chart, as below. Observe the 5 red lines. You will notice that the importance of each one of those lines has shifted with the change in time frames. Notice that lines 1 and 2 are so remote for us, that we will not be considering them at all. Instead we will be focusing our attention on the area between lines 3-5.
Attached Thumbnails



- Dec 19, 2010 16:51



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I have removed horizontal lines 1 and 2 from the chart, as they have no bearing on further analysis.

I will now place horizontal lines (blue) at the highs and lows on the daily chart, just as I did when it was a weekly chart. **BUT**, before I do, please take note of the thin white line running across the chart. That line is the **PA line**. Note that it (PA) is right at an area that will be marked with a blue line. Bells should go off...that is telling us something..or at least saying.."take note of me!".

Attached Thumbnails



- Dec 19, 2010 16:59



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I found only what I considered 3 highs/lows to mark on the daily chart. Note that D2 covers PA marker.

Attached Thumbnails



-
- Dec 19, 2010 17:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Moving down to the **H4 chart**. I did the same..marked the highs and lows with horizontal lines (green).

Note the relationship of the red (weekly) lines to the chart now. Line 3 is too remote for us now, so I took it off the chart. Line 4, may be of interest in the future, but not the immediate future..leaving it on the chart, but took Line 5 off the chart also.

I could take D1 line off the chart also, as it is too remote for the upcoming week, but will leave it on the chart..totally arbitrary decision.

Attached Thumbnails



- Dec 19, 2010 17:25



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

We have now significantly narrowed down the areas of interest for us for the coming week at least, maybe longer....the areas between the 2 green lines and D2 and D3.

I will move to the **H1 chart** and making the chart larger take a look at what is there. Note that only the D2 line and the green lines are still significant to us now...maybe D3 ultimately.

-
- Dec 19, 2010 17:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I drew 2 lines (purple) on the H1 chart as above. Note that the 2nd purple line and D2 line are the same..also don't forget that the D2 line is on the PA marker..remember that "pay attention

to me" flag right at that area.

So, what do we make of all this?

Well, we know that the D2 line, and the H1 line have now been both support and resistance areas. Current PA is at this level, which is now a resistance level. Will PA pierce that level and go up or be repelled and head down? If it heads down, there is little to stop it until the D3 level.

Also note that week before last, PA created a ditch/channel between the bottom green line and that big D2/H1 support level. PA may just go back into that "safe" area and stay for awhile. RSIs are currently mixed, so they don't tell us much at this time.

Attached Thumbnails



- Dec 19, 2010 17:55 | Edited Dec 19, 2010 18:34



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Looking closer at the H1 chart in relation to H1 4C BO from last week, we see that a perfect ZC (BO-->Pullback--> Continuation) trade has occurred. Whether the continuation will continue (lol) we will find out.

Sorry....that was actually a consolidation BO, not an H1 4C BO.

Attached Thumbnails



- Dec 20, 2010 15:02



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Scrutch picked this one. Notice how following the M15 entry (waiting for a candle close totally outside the resistance line) would have prevented entering on the false BOs. Good for about 50 pips.

Attached Thumbnails



- Dec 20, 2010 15:06



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [LFB](#)

Hi Lawgirl

I am digging and digging through the thread and have next question ;-)

Sometimes you set pending order for 1H 4C BO. In such case you can't watch the M15 PA after line break out so you have to set this pending order somewhere in the air. And this is my question. Usually how far from marked consolidation you leave your pending order? What you are observing to leave it in the best possible place (according to your knowledge)?

Hi, LFB..it is totally arbitrary. I usually go about 10 pips away from the R/S line that I am looking at. I generally assume that would be enough pips to clear the line. The further away from the line, the more conservative the trade, the more likely to avoid false BOs, but lower pip expectations also.

- Dec 21, 2010 15:23



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

H1 4C BO and H4 3 Tap

Attached Thumbnails



- Dec 21, 2010 22:42



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [oradba](#)

OK; so maybe I am not quite trusting the 3-tap trigger by itself and want the extra handholding MACD provides. I understand the point about trend confirmation at various TF's. Maybe I need to watch the RSI better. Don't think I want to give up MACD yet, though. Good discussion oradba, fitness and bimberbob...it is one of the most difficult things about trading..to give up the indicators. The 3 Tap setup and trigger are two separate steps, don't forget. 1: There's the 3 taps (the set-up) and 2: there's the trigger (PA in desired direction). Actually the order is this:

1. Confirmation of direction on 3 RSIs
2. 3 Taps in confirmed direction
3. Trigger by watching PA often on lower TF

- Dec 21, 2010 23:50



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [duffypratt](#)

Did anyone take this trade? I've been looking at the various charts, and I don't see any way to get into it.

First off, it's not at all clear to me that the RSIs would line up for this trade until most of it was done. It's very hard to tell that in hindsight (and that's one of the things that makes this system dreadfully hard to backtest -- it's almost impossible, at least with the backtesting tools at my disposal, to get a quick read on the H4, D and W RSIs). So I can't look at this chart and know that there was a trade brewing just before the...

I check the actual RSI line direction, not the indicator, "frame by frame" or in this case candle by candle on the H1 chart initially with the vertical line tool. The line is between 4 and 6:00 in each frame. It is impossible to tell what the RSI indicator showed in retrospect, but not the actual RSI line. (Another reason to never rely entirely on an indicator!)

Moving up to the H4 chart, do the same. You will note that the line is dragging the bottom..it can't do anything else as it cannot go lower and PA is not going up. Same is true on the daily chart..dragging the bottom.

PA is also continuing down, PA trumps RSI, at least in the short term. Assuming I had taken notice of this pair at the BO and without the indicator's arrows, I would have entered this trade short on the M15 chart after it cleared the support line. Even getting out after that red candle that cleared the support line..that would be about 60 pips.

Attached Thumbnails



- Dec 22, 2010 1:57

[dfstone32](#) Member Since Feb 2006
Member [49 Posts](#)

I think the confusion I see in some recent posts is that lawgirl is trading the system just like she always has, lining up her trades with the simple RSI without the extra RSI arrows, which came later. They really don't mean all that much most of the time (the arrows I mean) as they tend to switch direction very quickly

What is more important is what price is doing. Draw a short term trendline. See that the Weekly, and Daily are in conjunction with the RSI direction. When the hourly or 15min chart breaks in your direction and out of support or resistance, enter the trade. Remember: trade what you see!

I'm not trading this way because I was distracted trading so many crosses but I lurk here from time to time.

- Dec 22, 2010 2:18

 [lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by dfstone32](#)

I think the confusion I see in some recent posts is that lawgirl is trading the system just like she always has, lining up her trades with the simple RSI without the extra RSI arrows, which came later. They really don't mean all that much most of the time (the arrows I mean) as they tend to switch direction very quickly

What is more important is what price is doing. Draw a short term trendline. See that the Weekly, and Daily are in conjunction with the RSI direction. When the hourly or 15min chart breaks in your direction and out of support...

Beautifully said, dfstone. Join us more often. I traded this system a very long time without the arrows.

- Dec 23, 2010 14:48

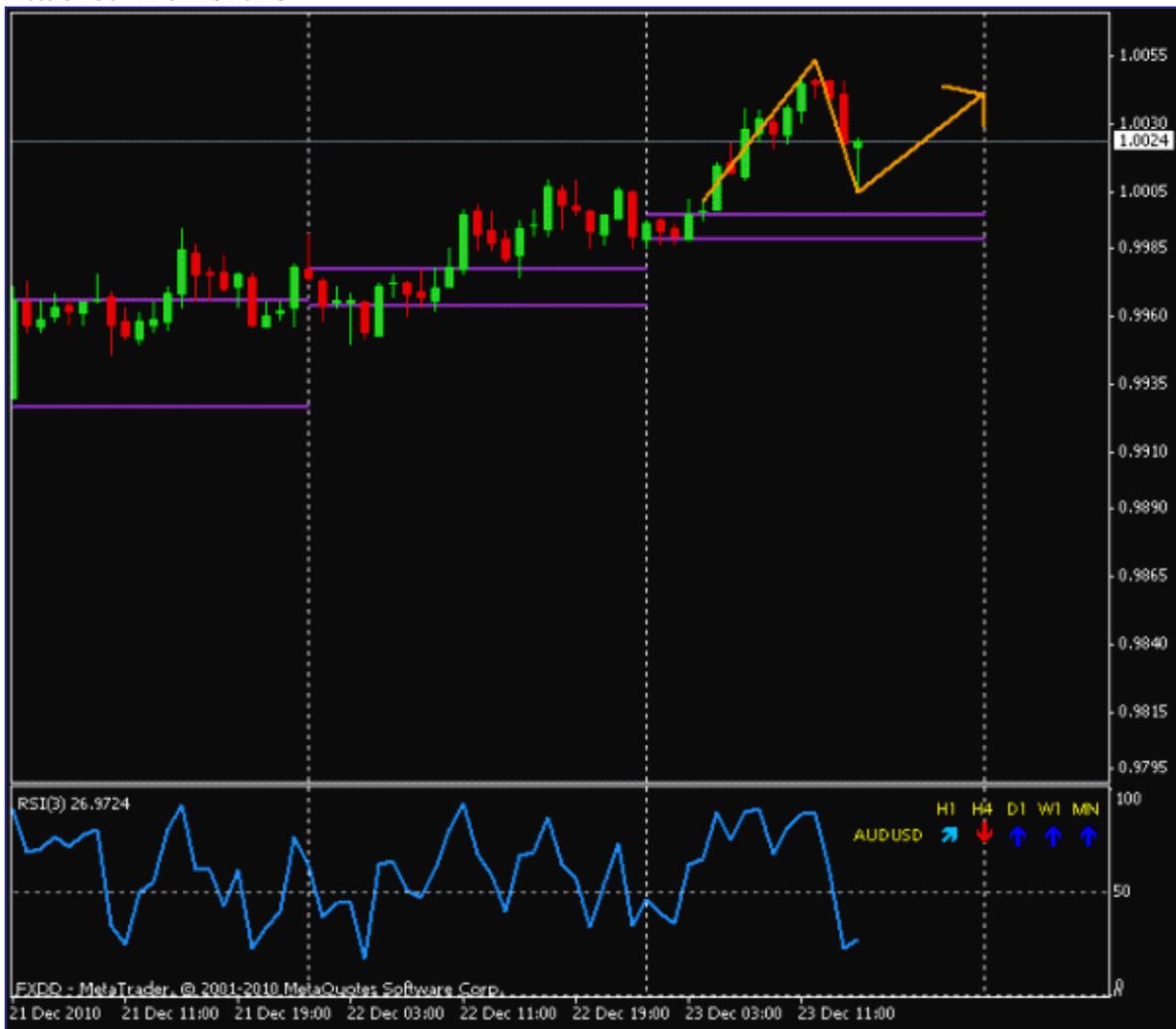


[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

There were some nice London session moves. About 50 pips here.
Now may be turning into a ZC trade (BO-->Pullback-->Continuation)
Attached Thumbnails



- Dec 27, 2010 4:51



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

BO setting up
Attached Images



- Dec 27, 2010 15:16



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

BO setting up
Out with +35 pips.

-
- Dec 27, 2010 23:26



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Trading in a channel for the past few hours. Looks like it may be setting up for a long BO.
Attached Images



- Dec 28, 2010 1:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Consolidation BOs are money in the bank, guys. The only problem is keeping them in your radar.

- Dec 28, 2010 1:45



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Another long consolidation and now looks like its breaking out.
Attached Images



- Dec 28, 2010 4:38



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H1 4C BO setting up.
Attached Images



- Dec 28, 2010 14:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

I am short these two pairs looking at the H1 and H4 RSIs for confirmation. Won't stay in these trades too long probably, because I believe these are countertrend trades. Also a channel trade.

Both hit my TP +31 and +18

-
- Dec 28, 2010 14:40



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by lawgirl21

H1 4C BO setting up.

WOW! wish I had stayed awake for this one..over 200 pips. Hope some of you caught this.

Attached Images



- Dec 28, 2010 14:54



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

2 BOs...the first a regular H1 4C BO worth about 30 pips, the second one after a little "stall"/consolidation BO worth about 50 pips.

Attached Images



- Dec 28, 2010 15:12

 [lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

This pair was totally off my radar..good for about 90 pips.
Attached Images



- Dec 28, 2010 15:15

 [lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A ZC trade setting up..
Attached Images



- Dec 28, 2010 15:19



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Another beauty...
Attached Images



- Dec 28, 2010 16:14



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [kedridder](#)

Hi LG/geula4, the USDJPY picture which you have attached previously for the above quoted, in post #7786, is the ideal scenario. right?

lets say this EURUSD pair which opened today. the arrow pointing the BO, is not what we hope to see everyday because we need to execute our stop loss becos it's a false BO.

Is my understanding correct?

You are correct..that USDJPY BO picture could be the poster child/chart for BOs in this system.

Your EURUSD arrow did not point to a BO, only a wick/tail poking through. We want to see a multiple candle BO, at the very least on the M15 chart and on the H1 chart, we want to see the candle body breaking. Watching for entry on the M15 chart would have kept you from entering that trade, so there would have been no need to set a SL. Remember that we have time to observe PA on most good BOs. There is no need to jump into a trade at the first hint of a BO.

You will notice on your chart that a long BO did occur a few candles after your arrow. It was good for about 30 pips, but there was an immediate reversal on the subsequent candle which produced a very nice short trade.

•

- Dec 28, 2010 16:31



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [kedridder](#)

i see. thanks for the input. i'm asking, becos i see your system suits me v well and i love it. every system has its pros and cons, so i wana understand how to maximise this system.

if i may move my arrow further, i could see a full candle forming on the 1H TF.
is this considered a false BO which all of us do not hope to see/execute?

Yes, that is the BO candle I was referring to that was followed immediatly by a reversal. The M15 chart would have probably gotten you in that trade and if you had set a TP at 20-30 pips, you would probably have been OK. But setting if for more than that would have seen the reversal and probably a SL hit.

However, had you been watching the trade and not sleeping, like I was during that set up, you would have exited on the reversal candle, watched PA and RSIs and entered short somewhere within the channel and on through the support level for a terrific profitable trade.

- Dec 29, 2010 3:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Another BO
Attached Images



-
- Dec 29, 2010 3:11



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Another BO
Also a ZC setting up
Attached Images



- Dec 29, 2010 4:30



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [kedrider](#)

i see. IMO, i find myself able to spot BOs rather than 3 Tap trades. since PA is slow now, i thought i might as well make use of e time to learn more from this thread. 😊
I think that's a great idea.

- Dec 29, 2010 14:41



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

A ZC setting up

I set a pending order on this pair, which triggered, but has since stalled out. Hopefully, it will continue down after this little rest.

Attached Images



-
- Dec 29, 2010 15:44



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [JGforex7780](#)

Hi Lawgirl,

I have some question: How do you set up the pending order?? you judge based on the last 3 or 4 candles and set about 15-20pips away??

I wanted to clear that purple support line at 82.27, marked with blue arrow. So I set my order at 82.15, 12 pips lower. That was completely arbitrary...could have been 15 or 20 for a more conservative entry.

-
- Dec 29, 2010 15:45



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

chart

Attached Images



- Dec 29, 2010 15:51



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [geula4](#)

Congratulations! Great Job!! 🎉

I'm sorry to say I didn't get in all those trades..only some of them. I was just trying to show that one pair is really all that a serious trader needs to bring in good extra income or even make a living.

- Dec 29, 2010 16:49



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm not liking PA on the M15 chart right now or the H1 and H4 RSIs. But if they start acting well (meaning heading down), I will enter a trade short.

Attached Thumbnails



- Dec 30, 2010 16:24 | Edited Dec 30, 2010 16:55 - *terrible spelling/typing!*



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

About to hit TP on the retrace.

Attached Images



•

- Dec 30, 2010 16:35



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [kedridder](#)

its amazing how u know a retrace is coming. u using RSI?

I didn't know..just an educated guess based on the weakness of PA hitting that major level. It was unlikely that PA would have been able to go much beyond 3300 and if it can't go through it, it will be repelled by it, which means a retrace of some sort.

Also remember that PA is a wave action..we are always looking at the waves, even though this is not EW theory, the 3 Taps and ZC trades are wave theory trades.

- Dec 30, 2010 18:18

[KillerAntz](#) Member Since Nov 2010

Member [89 Posts](#)

This is one thing that is happening to much lately to me.

I've entered the trade in the picture, all signals were as they should be as I remember. After entering the trade it should have gone up, but went down. I watched my profit shrink by the pip, but it did not hit my SL. After about a day the trade headed north again and I closed it as soon I had some profit, small, but profit. I was happy that my loss was gone and the "stress" was over.

All that said, here's the problem, I allow the trade to go in red until my SL, but I do not allow it to go into (much) profit, wich would have been a good thing today (and many previous cases).

I'm working on this issue, but I tend to close trades to quickly. My profits are to small versus my losses (wich I give much space).

So 2011 will be a lesson in "let the trade ride for a while" and give it some space to move up aswel as down!

I'll try setting up more trades in DEMO with higher profits and just let them ride. Closing a trade in profit is one thing, but have at least 15 pips profit is another :-).

For now, the year is over, time to have a party. The fist year of treading is over, the balance is slightly positif so i'm very happy. Thx to LG and many other for guiding me through the system, which I'm learning still day by day.

Merry X-mass to you all!!! Ho Ho Hoooo :-)
Attached Thumbnails



-
- Dec 30, 2010 18:32



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by **KillerAntz**

This is one thing that is happening to much lately to me.

I've entered the trade in the picture, all signals were as they should be as I remember. After entering the trade it should have gone up, but went down. I watched my profit shrink by the pip, but it did not hit my SL. After about a day the trade headed north again and I closed it as soon I had some profit, small, but profit. I was happy that my loss was gone and the "stress" was over.

All that said, here's the problem, I allow the trade to go in red until my SL, but I do not allow it...

KA, if you had widened your R/S lines and expended them out, you would have noticed that this pair was in consolidation for about 2 days. Then you would have looked for a better BO.. marked by the blue arrow on the chart below, that you referred to.

Attached Thumbnails



- Dec 30, 2010 18:36



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Traders...when you see several days of H1 4C BO support/resistance lines that look like those on this chart.....that should tell you something...
What should that tell you? Anybody...

Attached Thumbnails



-
- Dec 30, 2010 19:04 | Edited Dec 31, 2010 4:23



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by NaughtyPip

An aggressive move is coming..?

And MVP....both exactly right..something big is going to happen sooner or later and we are pretty sure about the direction of that move.

Consolidation BOs are money in the bank...I've said it before, but it's worth repeating.

- Dec 30, 2010 19:51



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by KillerAntz

LA, I do not totally agree with you, but please correct me if i'm wrong. The moment I entered the consolidation was not "started", it was just the normal 1H BO, wich in the end wasn't a real BO but went back to consolidation. So entering at that moment was a possible good trade, at that time.

You are not wrong..depending on what the M15 candles were doing at the time you entered. You were just looking at the H1 4C BO in isolation, which with PA activity over the last couple of days, was too narrow. But your eye is not entirely trained yet to see that....it will be though with a little more practice.

I am at my office now and this is how I had that pair "marked" from last week on my office platform...as a consolidation BO trade to watch.

Attached Thumbnails



- Jan 1, 2011 21:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

"The game is never over and one can never know enough to beat the market all the time. I have never considered myself a market master, rather merely a market student who occasionally traded correctly."

Jesse Livermore, World's Greatest Stock Trader

-
- Jan 2, 2011 22:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I read the book Jesse Livermore - World's Greatest Stock Trader by Richard Smitten over the weekend. While Livermore's personal life was nothing to admire, his trading advice has much to offer. I highly recommend this book...it reads like a intriguing novel and there is lots to learn from it...how to trade..how **not** to live.

Livermore basically traded trends (like we do), but constantly looked for trend changes, as he believed that it was a change in major trends that hurt most traders. Here are just a few of his suggestions:

1. **Know the direction of the major trend** of the few stocks (I shall substitute pairs) on which you are concentrating. He chose only the industry "leaders".
2. **Never enter a trade with your full position.** Livermore sent out "small position probes" of 1/3 of his intended full position to test his appraisal of market direction. If the first probe was positive, he added the second position, etc.
3. **Always watch for end of trend hints.** Livermore looked for market price stalls (consolidations), with heavy volume, where price was not making higher highs or lower lows (ditch/channel PA). Heavy volume with no movement in price, he believed, was a strong clue or warning of a potential trend change. He would then send out a "probe" to test the change.
4. **Do not spend time trying to figure out what moves the price** of a particular pair. Rather, he says, examine the tape (ticker tape for him, for us..PA). The answer is **what** the PA says, not **why** it is saying it. The tape (PA) is never wrong.

-
- Jan 3, 2011 15:56



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by pippete

Consolidation BO, now below that 3 yr low...

I have been a little afraid of trading lowest lows and highest highs, but Jesse Livermore in the book I read over the weekend advises to not be afraid of trading historic highs/lows on breakouts. So I am jumping in...

- Jan 3, 2011 20:22



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

In a ZC trade.

Attached Thumbnails



- Jan 3, 2011 20:25



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Setting up to do something? I like those RSIs!

Attached Thumbnails



- Jan 3, 2011 20:27



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Setting up to do something? I like those RSIs!

Actually, this is a better support level to watch for a break below.

Attached Thumbnails



- Jan 4, 2011 2:21



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO setting up.

Attached Images



-
- Jan 4, 2011 2:23



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO setting up
Attached Images



-
- Jan 4, 2011 2:24



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Maybe...
Attached Images



• Jan 4, 2011 2:26



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Maybe...

Attached Images



•
• Jan 4, 2011 2:29



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Setting up

Attached Images



-
- Jan 4, 2011 21:57



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by dialpips

Sorry all, I've been away for a while. Whats this ZC trade? Can someone direct me to the page where I can find it.

Happy new year to u all; and happy piping. thnx. 😊

A ZC trade is a H1 4C BO trade that pulls back and then continues in its original BO direction. This happens very frequently after a good BO. I call it a Zorro Continuation (ZC) trade because it bears the "Mark of Zorro"!

ZC = BO-->Pullback-->Continuation
Attached Thumbnails



-
- Jan 5, 2011 5:19



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [AndreasF](#)

Hi lawgirl

I put USDCHF on my watchlist for BO

Cheers
Andreas

I'm not liking it..too mixed.

Attached Images



-
- Jan 5, 2011 5:24



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [kedrider](#)

Hi LG, can u share with us, your definition of 'too mixed' please?

Not enough confirmation..PA doing one thing and 1 or 2 important RSIs doing another.

-

- Jan 5, 2011 6:41

[duffypratt](#) Member Since Sep 2010

Member [563 Posts](#)

Posted by [kauaibobby](#)

Right now ausjpy and chfjpy have five red arrows at this minute, a few minutes ago i believe the H4 was blue buyand other arrows were different also.

It just seems it all depends on the minute you look at the arrow, i just don't understand why the higher timeframes change so quick.

i know there is more to opening the trade than just five red arrow, i just dont know how to follow them when they are changing all the time.

Happy trading everyone

Most of the time, the RSIs simply show the direction of the active candle. If its up, the RSI is blue. Down, and its red. If its a doji, then the RSI is sideways yellow. That happens well over 90% of the time.

Thus, the RSI arrows can turn on a dime, especially at the beginning of a new candle, or when price is still near the open for the candle.

Having said all that, it's pretty amazing how well it works to have all of them in the same direction, especially considering how little at times they can indicate.

- Jan 5, 2011 7:40



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [kauaibobby](#)

Duffy that explains some thankyou

i will keep watching them and keep learning

I do not believe there is repainting going on with the indicators, merely a reflection of what is happening with price and momentum at this time. The monthly is unsettled now-- being the 2nd trading day of a new month..the weekly should be getting set by midweek and even more reliable by Thursday. We have never paid too much attention to the H1 RSI.

The secondary use of the RSI is to indicate trend (the first being overbought/sold which we pay no attention to). The RSI measures turns in price by measuring turns in momentum. My theory of watching the face of a clock for understanding the turns comes from studying a man named Andrew Cardwell who determined that an RSI level of 50-80 indicated a long turn/trend and an RSI between 50-20 indicated a short turn/trend.

Don't know if his helps, but hope so. I find them remarkably reliable, coupled with pure PA and S/R areas, but they are not perfect. And I guess from time to time they will be just as erratic as PA itself.

- Jan 5, 2011 8:01



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

BO setting up?
Attached Images



- Jan 5, 2011 14:32



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [superpipo](#)

Hi LG, are you make profit or loss in this pair? 🤔

I did not enter that trade. There was never a good trigger. When I posted the chart last night, the set up was just forming. But look at what happened to that forming candle.. chart below, the candle with the red vertical line through it.

Attached Images



- Jan 5, 2011 14:40

[LFB](#) Member Since Aug 2007
Member [202 Posts](#)

Posted by [lawgirl21](#)

I did not enter that trade. There was never a good trigger. When I posted the chart last night, the set up was just forming. But look at what happened to that forming candle.. chart below, the candle with the red vertical line through it.

I have entered just before the green one on M15 behave. It was pretty good looking red candle that went 10 pips below current consolidation. I have entered perfectly at the top of it 😞

-
- Jan 5, 2011 14:46

[LFB](#) Member Since Aug 2007
Member [202 Posts](#)

Here is what i sow when i have entered.

This was fake out for me that is why next time i have used bigger SL
Attached Thumbnails



- Jan 5, 2011 14:54



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [LFB](#)

Here is what i sow when i have entered.

This was fake out for me that is why next time i have used bigger SL

OK, you entered where that red arrow is pointing.. the only thing was the very next candle did not continue down and there was a green candle before. Those green M15 candles showed lack of strength for PA to continue strongly down.

-
- Jan 5, 2011 16:03



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Here is a losing trade that I am currently in from a BO, (false. as it turns out) I entered where the red arrow i pointing on the H1 chart and at the red arrow on the M15 chart. It happens to all of us.

Attached Thumbnails



- Jan 5, 2011 20:06

[duffypratt](#) Member Since Sep 2010

Member [563 Posts](#)

Posted by [lawgirl21](#)

I do not believe there is repainting going on with the indicators, merely a reflection of what is happening with price and momentum at this time....

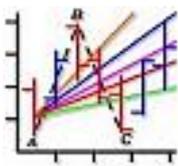
LG:

I think its worth drawing a distinction between the RSI indicator, and the arrow indicator that's used here. One of the things that first drew me to this thread was the idea that it was a "chart lover's" method. The basic function of the arrow indicator is to relieve people of the chore of looking at the charts on the higher time frame.

Then, what seems to have happened, is that people place some incredible faith in what the arrows are doing. It's very easy to see what the arrows do. All you need to do is look at the higher time frames. You not only can immediately see what the arrow is doing, but often, you can see when the arrow is likely lying.

I don't really have anything against the short-cut. But its not for me. I may use it from now on to help select which pairs to look at. But once I'm focused on a pair, I will make sure to at least look at all the charts for the pair. I'm still learning, and I think there's more to be learned from looking at more charts and maybe taking fewer trades.

- Jan 5, 2011 20:12



[Scrutch](#) Member Since Dec 2008
Get rich slowly... [650 Posts](#)

Prime example of PA keeping you out of a bad trade by watching the M15 chart. I was watching the three red candles form...when along came Mr. Green. Trade was not taken (yet) as PA started to show a bit of strength, instead of continued weakness. Maybe later...? Maybe not...? Please remember...not taking a trade *is* taking a position!

Note: More of the Z lines than needed but should give you an idea of what I'm watching. I think the main idea here is that we had a decent H1-4C-BO (after a fake out) and price returned to the lower boundary of the BO zone...then made an attempt to break to the downside again.



- Jan 6, 2011 1:30



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I am considering taking this trade as a consolidation BO, if PA continues up, instead of a H1 4C BO. But inpatience usually is a downfall for me, so will see...

Attached Images



- Jan 6, 2011 4:17



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

This pair too...maybe

Attached Images



-
- Jan 6, 2011 5:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by FX California](#)

LG:

Just to understand, for the EUR/AUD pair (chart you posted) when you want to go for long? Do you wait for next bullish hourly candle or you go to M15 and go long after a new bullish candle? Thanks in advance.

FX_California

Wait for the H1 to pierce the R/S line with a body, not just the wick and, assuming confirmation from the RSIs, move to the M15 or M5 charts and watch for PA to continue in desired direction.

-
- Jan 6, 2011 15:19



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by geula4](#)

IMHO, as a rule of thumb, we look for setups only after we get trend confirmation from the RSIs.

This is SO important and saves so much time. I notice that most of you are looking for 3 Taps, THEN looking at the RSI directions and trying to get them to match. That's chasing

the trade and almost never works.

Look for setups only after trend confirmation from the RSIs, as geula says and as it says on page 1.

-
- Jan 6, 2011 15:46

[natnimrey](#) Member Since Nov 2010
Member [194 Posts](#)

I have been training on a simulator and I think I am slowly really getting the hang of LG's system (despite it's simplicity, I know 🤔) One of my biggest questions, which I think is also the most crucial, is how to identify PA for the H1 BO? This is what I understand so far:

The charts below are TF15, the dotted vertical line being the start of the day, and the horizontal red lines being the first 4 hr S/R.

This chart shows good PA as after BO, price is steadily moving in one direction. The trigger arrives in a strong bullish candle that was preceded by more bull candles. Valid trigger.



This chart shows an entry too early and the supposed trigger, preceded by dojis and is too near the BO zone. Poor PA and invalid trigger.



Please tell me if I've gotten anything wrong here, criticize me if you have to 🙏 I feel this is a very important aspect of this method and understanding it well will be a big boost to my game. Thanks all 😊

• Jan 6, 2011 15:56



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [natnimrey](#)

I have been training on a simulator and I think I am slowly really getting the hang of LG's system (despite it's simplicity, I know 😊) One of my biggest questions, which I think is also the most crucial, is how to identify PA for the H1 BO? This is what I understand so far:

The charts below are TF15, the dotted vertical line being the start of the day, and the horizontal red lines being the first 4 hr S/R.

This chart shows good PA as after BO, price is steadily moving in one direction. The trigger arrives in a strong bullish candle that...

Excellent explanation. I may have entered a little earlier on your first chart, depending on what the H1 candles looked like on the BO, but that was a good safe entry. After you enter using the M15, or if you are Scrutch the M5 chart, don't monitor the trade on those charts.....it will drive you nuts...move back to the H1 chart to monitor so you don't observe every fluctuation in PA.

• Jan 6, 2011 16:35



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [kedridder](#)

This is a 15M chart. I'm waiting for the new 15M candle to begin. if it opens 0.8432, i'll execute the trade.

RSI is all pointing down now. This is the correct approach, right LG/geula4?

No..I can't see your support line on your chart. Be patient..wait for a good close of a M15 candle and at least the start of another red one. If you look at the H1 candle, it is not strongly piercing that support line. Here is how my M15 chart looks.

Attached Images



- Jan 6, 2011 15:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [geula4](#)

Can you please post a chart?

I like discussing and learning the Zorro setup.

Thank you! 🙌

ZC forming if PA continues down and ideally goes below the lowest low marked with horizontal yellow line.

Attached Images



- Jan 6, 2011 16:20



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

ZC trade with PA breaking the low.

Attached Images



- Jan 6, 2011 17:04



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Wow, this is fun! PA down is continuing with the candle change. I took half off the table just to be safe. But now may add to my position.

Attached Images



- Jan 8, 2011 16:54



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I call this pair the "gift that keeps on giving". But why, let's take a look at it in a little detail.

A classic entry technique in trend trading is to enter on either the highest high on the last 40 days for a long trade , or the lowest low on the last 40 days for a short trade.

If the market is going to trend up, then it must make new highs. If the market is going to trend down, then it must make new lows.

Here is a daily chart for EURGBP. You will notice the last 40 days are highlighted. PA tells us that we are looking for a short trade, thus the lowest low of the last 40 days is marked with a vertical line and by the arrow.

Attached Thumbnails



-
- Jan 8, 2011 17:17



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Disregarding the more current PA to the far right of the chart, just by observing PA and marking that lowest low of that 40 day period, we are alerted to a potential profitable downtrend.

As we only need the vertical gold line marking the lowest low, I have removed the arrow and the highlighted area. Moving to a lower hour TF and using the H1 4C BO system for entries, here is what we have seen over the last few days...a steady march of PA downhill and right through that lowest low support line of the last 40 days.

What is the significance of this? It indicates that there should be more downside to this pair. This general entry technique, by the way, is one that made a group of traders called the "Turtles" billions of dollars in the commodities market.

Attached Thumbnails



-
- Jan 10, 2011 14:59



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [natnimrey](#)

LG, now that you're here can you offer me some advice on when to exit trades early to cut losses? I've managed to minimize them by closing half my orders and leaving another at BE with quick profits, but a few losses have been really big, especially since I'm placing 2 orders. Do you exit when price stagnates, makes HH/LL against you, or move rapidly in the other way? Thanks...

Sounds like you are managing your losses well. There is no way to avoid losses that I know of or have ever read about. I use reasonable R/S levels as stops. However, I am reading a book by Van H. Tharp that has made me rethink this way of placing stops.

Tharp says that the problem with R/S levels as stops is that everyone knows that they are the logical places where stops **will** be placed. He says, "Quite often, markets tend to stampede in reverse and fill everyone's stop orders before they quietly return in the direction of the trend." To quote the Turtles again, they did not place actual stops because of this tendency of the market, rather they had mental not actual stops for their trades.

Tharp goes on to suggest that stops be placed at levels that are not "logical" to the market. Someone else I once read said to place stops "where you are sure the market will not go."

-
- Jan 10, 2011 15:30



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [natnimrey](#)

Hmm that seems to suggest placing larger than normal stops, which I am deathly afraid of 😬 On top of that, is it absolutely important that Risk:Reward be at least 1:1? My tendency to exit early makes it about 3:2, and raising my profit target to match my SL often leads me to miss out before price reverses.

I've read that you mentioned SLs should always be wider for 1H TFs, around 50 pips, and have witnessed its truth, but sacrificing a better entry for more confirmation rarely gives me 50 pip profits...

You will have to determine what you are comfortable with. I often don't use stops at all and I never pay attention to RR ratios. My goal is 100 pips per week..period. Remember too that just because you have a huge stop, doesn't mean you will have to take it. Nothing upsets me more, personally, than getting stopped out when the trade was ultimately going my way.

-
- Jan 12, 2011 2:07



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

3 Tap H4 setup and trigger..although there is less than 1 hour left on the H4 candle, so I am going to wait to see what PA does after the candle close and a new open.

Attached Images



-
- Jan 12, 2011 14:32



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [japfx](#)

how do one channel trade any link to the post section on this forum. i am sorry to request, i am kind of falling in love with daily pips resulting from this channel scaling. thanks
Channel trading is taking trades back and forth or up and down as PA moves within a given area (channel/ditch). This is somewhat risky, but when PA is ranging, it's a good way to pick up a few pips at a time. **The trade must be monitored.**

Channel trading EURUSD through the London session could have picked up about 200 pips.
Attached Thumbnails



• Jan 13, 2011 3:58



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

This pair can be looked at two ways..as a H1 4C BO or as a H4 channel trade and maybe BO

Attached Images



• Jan 13, 2011 20:34



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

I'm expecting something here..H4 BO.

Attached Thumbnails



• Jan 13, 2011 21:28



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [pippete](#)

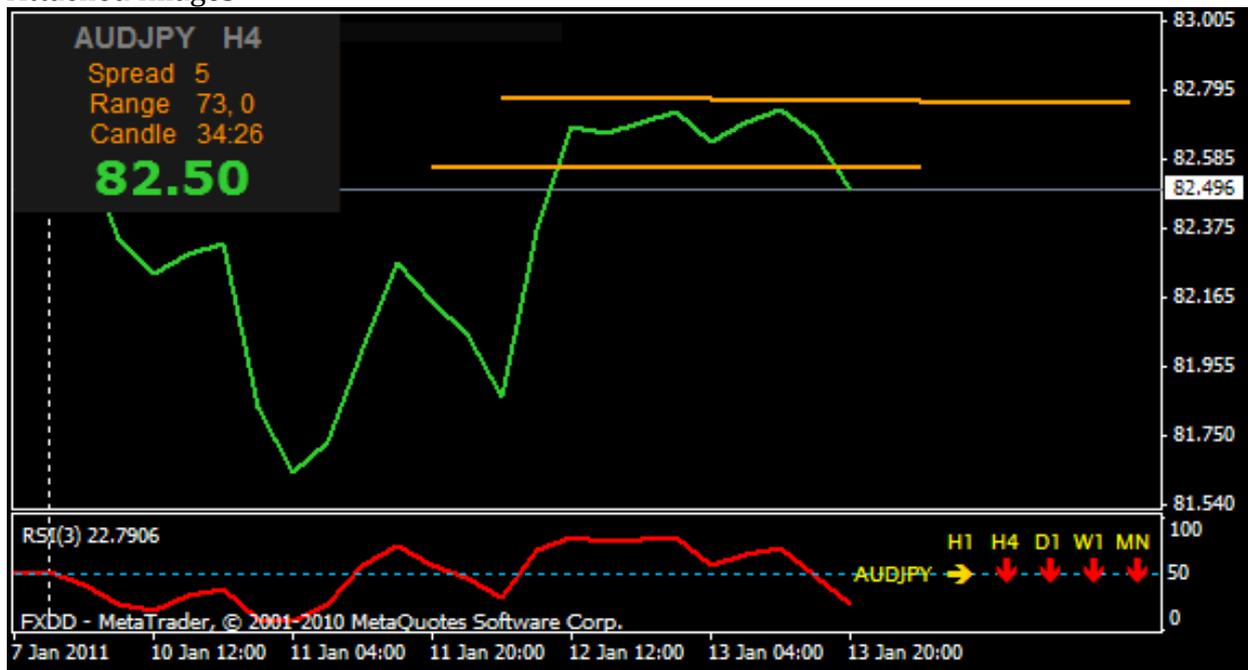
LG, got a question on this one: What do you usually do with all those wicks? Do you wait for PA to clear the lowest wick or do you enter right away when the bottom TL is cleared? Some wicks could seem like failed BOs...

By the way, great day today, reached my goal for the week and some.. +115.. Great feeling to be done for the week... Thanks for everything

Take a look at the same chart, but changed to a line chart. That gives the "true" PA direction. I ignore the wicks and when I have doubts or want a better picture, I take a line chart look.

Great trading!

Attached Images



•
• Jan 14, 2011 2:56



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Finally that BO were have been watching for.

Attached Thumbnails



- Jan 14, 2011 15:01



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Finally that BO were have been watching for.
Hit my TP + 40 pips.

-
- Jan 14, 2011 16:10



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [redart007](#)

I'd be interested to hear from LG or others...re: exits...

This is a major sticking point for me....

I get into a winning trade and its up like 20-30pips...my exit if potentially further away at a major S/R or trendline to see where is might go and I think, right I'll hang on...its goes to 40...great i think and hang on...then it stalls...I wait and it starts to retrace...and retrace and I exit the trade at BE...or a small win or a small loss....

I dont want to be greedy, but dont want to cut my trades short...what to do?
Never let a winning trade turn into a loser.

Once you see a retrace happening...get out. Don't even bother to calculate or think about what you "could have had". Get out, move on...Banking 20-40 pips with the way the market is acting the last few weeks is great. Bank 20-40 pips four or five times a week and soon you can make good extra income and maybe a living at this. With the way we trade here, 20-40 pips several times per week is no big deal.

-
- Jan 17, 2011 15:12



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

I'm looking for a continuation down, but will wait for confirmation from H4 RSI
Attached Images



- Jan 18, 2011 14:28



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [ConstantFX](#)

Thanks for answering 😊.

So, say for example there is a downtrend at the start of the week, we do the 3 tap trade make

some pips then a turn-around occurs.

Do we need to wait for say, a lower low and then a trend starting to the upside, and providing the 4hour,daily, weekly are in the direction of the intended trade it is ok to trade?

Or do you wait for the candles to get into the middle of the period?

Sorry for all these questions, wanting to fine tune myself at this.

Thank you 😊.

No problem CFX. No we don't wait for lower lows, just for the 3 taps and the 3 RSIs to be long. It's very simple. That's a fairly big change though and the set up won't come fast.

-
- Jan 18, 2011 21:21



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [ConstantFX](#)

Thanks (once again!) 🙏.

So say an uptrend has 3 taps, gone up 50 pips or so, and continues in an uptrend... after 3 taps do you start a new tap and then wait for another 2?

Or do you just hold out and wait until the new period before doing another trend?

thanks, sorry for various questions really appreciate you taking your time to answer them.



On a good trend, 3 taps can be drawn several different times. I haven't seen much of that in the past few weeks however.

-
- Jan 19, 2011 16:32



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

Posted by [lawgirl21](#)

I'm not in the trade. I was just scanning for even remote possibilities. But yes, that would be a quick (probably before a change in the H4 candle) trade to bank 20-30 pips.

In it now.

Attached Images



-
- Jan 19, 2011 18:47



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

In it now.

Hit my TP + 25 pips.

-
- Jan 20, 2011 3:37



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Break out..big spread though

Attached Images



-
- Jan 20, 2011 4:16



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

H1 Chart and M15 chart.

Because I didn't like the looks of the pinbar and the red candle, I'll wait for the next candle to close and if PA is continuing up...enter long on the next candle.

Hope this helps. I know it is confusing.
Attached Images



-
- Jan 20, 2011 4:38



[lawgirl21](#) Member Since Dec 2009
 Member [6,595 Posts](#)

Posted by [kedrider](#)

LG, please correct me if i'm wrong.

Before the pinbar was formed and completed, you wouldn't know it's a pinbar after all. Or do you mean, when you look at the chart, the pinbar was already formed?
Looking at the M15 chart, I don't like that pinbar or the next red candle, so I am going to watch PA a while longer. That's why I marked the next candle with an upward arrow. This is really the first candle that shows me anything. So I watch the next few M15 candles and now I have decided that PA is struggling too hard to enter this trade at this time. RSIs confirm this. I'll keep it on my watch list, but in my opinion, PA is too weak at this time to enter.

- Jan 20, 2011 14:42



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

I set a pending short order on this pair and am done for the night.
Pending order triggered. SL hit -45 pips.

- Jan 20, 2011 14:48



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Breaking out
Attached Images



-

- Jan 20, 2011 14:52



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

BO

Attached Images



- Jan 20, 2011 14:54



[lawgirl21](#) Member Since Dec 2009

Member [6,595 Posts](#)

BO

Attached Images



-
- Jan 20, 2011 14:56



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

BO

Attached Images



- Jan 20, 2011 14:58



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

A beauty...

Attached Images



- Jan 20, 2011 17:09



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Candle changes have become very significant with this ranging market. I am starting to take any profit that I have at the end of the hour and before the candle change, as it appears now that most of the time there is also a directional change.

-
- Jan 21, 2011 4:06



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Just went long.

Attached Images



- Jan 21, 2011 9:12



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [lawgirl21](#)

Just went long.
Hit my TP at 3550

- Jan 21, 2011 16:50



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

Posted by [vijidas](#)

Hello All. Hope you all had a good week.

I have been quietly following this thread as it is one of the best thread out there.

Is it me or for the past few weeks this thread has become more about 1h 4C breakouts. All the entries seem to be about breakouts.

I'm not complaining or anything just would like to clarify that everyone is more comfortable with breakouts and trade it that way.

I like the simplicity of this method.

1. Have a Bias based on RSI (i.e. is this week trend long or short?)
2. Trade the breakout in the bias direction...

It is simple. I hope others will answer, but I will go first. You are right about the last few weeks being mostly BOs. That's because the market has been ranging since before Christmas. The 3 Taps work best in a trending market..but because we "trade what we see" it has mostly been consolidation break outs (CBO) or regular H1 4C BOs. Welcome!

- • Jan 22, 2011 18:44

[vijidas](#) Member Since Aug 2010
Member [126 Posts](#)

Dear all,

Hope you all having a good weekend and enjoying well deserved two day break after week long hard work.

I have a question if I may. I have noticed quiet a few chart in previous posts which has 1h 4 BO lines marked and price did false breakout before continuing in opposite direction. I also noticed most of you ignored the false breakout and took the correct trade (especially lawgirl).

Is it because the false breakout happened against the direction of the rsi?

Is it because you already had a bias (i.e. Analysed higher tf trend and decide to take breakout trade only in your biased direction)

Is it because the breakout happened towards major Support or Resistance and was risky to take breakout towards major S&R?

What makes you take the breakout or pass it off when it is a false breakout? Looking forward to your response.

thanks

- • Jan 22, 2011 18:55



[PhAnTi'](#) Member Since Aug 2010
Member [12,735 Posts](#)

Posted by [vijidas](#)

Dear all,

Hope you all having a good weekend and enjoying well deserved two day break after week long hard work.

I have a question if I may. I have noticed quiet a few chart in previous posts which has 1h 4 BO lines marked and price did false breakout before continuing in opposite direction. I also noticed most of you ignored the false breakout and took the correct trade (especially lawgirl).

Is it because the false breakout happened against the direction of the rsi?
Is it because you already had a bias (i.e. Analysed higher tf trend and...
you always need to watch out for possible Support and Resistance zones. The great thing with those BO trades is the tight sl.
actually it doesnt have much to do with the RSI itself.

Phanti

-
- Jan 22, 2011 19:07



[lawgirl21](#) Member Since Dec 2009
Member [6,595 Posts](#)

[Posted by PhAnTi'](#)

you always need to watch out for possible Support and Resistance zones. The great thing with those BO trades is the tight sl.
actually it doesnt have much to do with the RSI itself.

Phanti

I don't totally agree with you on not having to do with the RSI itself.

Depends on alot of things, including how far along in the trading week we are. For BOs, true we don't much care about the higher TFs, because we are not looking for a long term trade in particular. I always like to see as many TF confrimations as possible, but for BOs-- PA trumps RSI. That said, the H4 and H1 should be in agreement with the direction of the BO.

We have no way of totally avoiding false BOs. They weren't so much a problem this past week, but were a real problem the preceding 2 weeks. Waiting for additional confirmation from the M15 chart helps prevent some, but again not all. **If the weekly RSI, H4 and H1 are all agreeing, PA is heading in desired direction, and we have waited for extra confirmation of directin on the M15...and there is STILL a false BO.....I cannot think of anything that we left undone, which we ought to have done.**