

Hi,

“The MACD was coming up from negative to the zero line, except experience and a gut feeling how do you determine what could be a zero break back down or a TC and break out up.”

Thanks for asking me,

I think that having a probe on one element of the system makes it a confusing situation. But by taking the whole thing, then the story just unfold, candle by candle. It worth reading the market based on the rules.

All the rules are important SO «Anticipation» can eventually materialize. By the way, isn't that the reason why all those rules exist, to «extract» the hidden Anticipation?

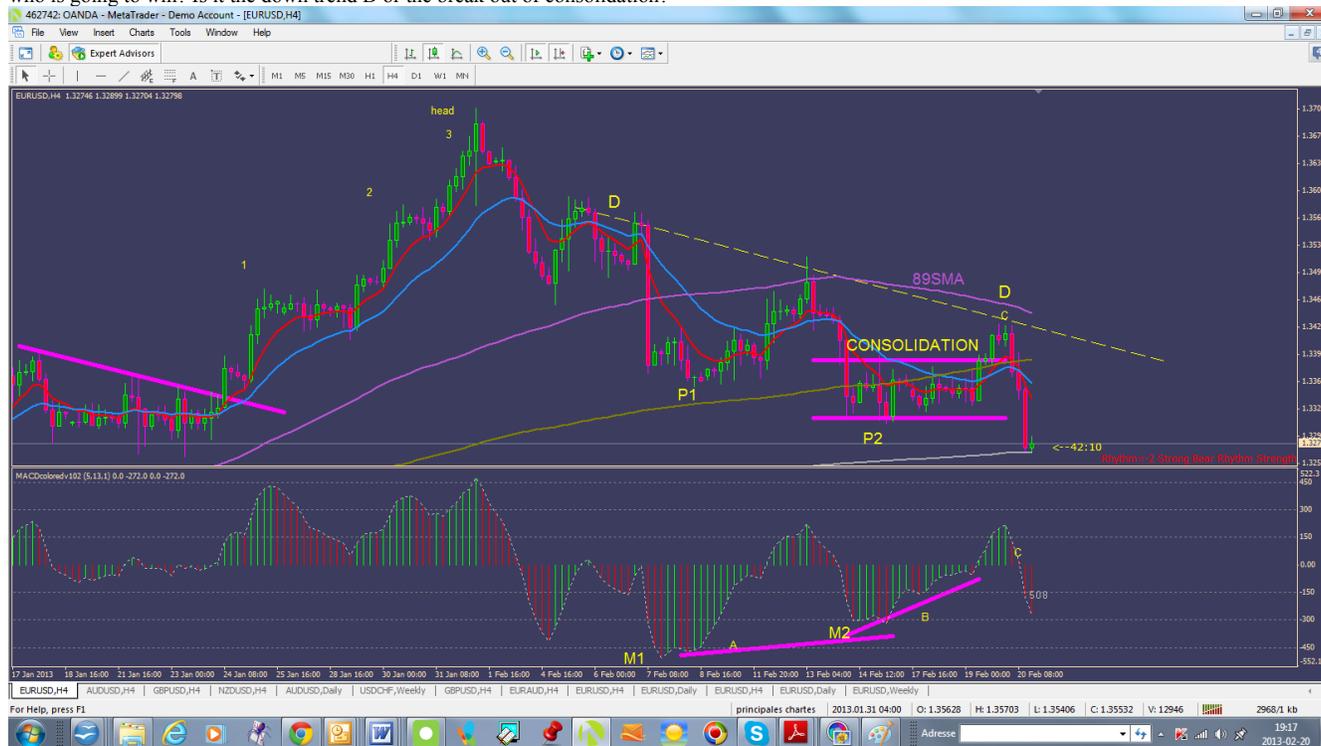
The 4hrs chart shows, (at this point) with rapid examination that while the pair is having a consolidation in price, (that last for about 100 hours) there was a positive divergence (I mentioned that recently) in the Macd.; a divergence which «anticipate» a «possible» change in trend (thus eventually crossing zero). That eventuality could have been “anticipated” well in advance; crossing zero was just a confirmation of anticipation for price to reach the 89sma isn't true?

Every price action on a chart is the result of a consensus made by people. Since FX range about 3 to 4 billions dollars a DAY, I just put back the picture of how many people are involved in that last daily candle!!! The good news is, that consensus for that candle has been “anticipated”!-that's my opinion, nothing else, but probably shared by many people! - Now, how many people would like to possess the monetary value of that last daily candle?- (just a thought to make an emphasis on candle's importance!) :-)

So, break of zero, for me, represent a part of anticipation of a future result in which I choose to participate or not.

Now let's go back to the 4 hrs chart:

who is going to win? Is it the down trend D or the break out of consolidation?



- answer: as per the rule, price should bounce on the 89sma-which it did.- the rule makes it easier the anticipation.-Here, since I said in previous post that a “possible” target for EURUSD could get to 1.3200, I just took opportunity to sell some more position around the 89sma. The macd, to me, was not going to make a TC considering all those facts (or history), but a RT (at c): I took part in it. M1/P1 and M2/P2 was a divergence so a sign of a possible trend change- which occurred later. P2 an B divergence again.

Sometime, if I get the feeling to say: where am I? (When I look at the EURUSD 4hrs chart) It's because I haven't read the market yet. When I do, I can then anticipate what will be next, based on the rule. I ask myself no more.

That my point of view,

I know that sometime I am late in answering question. It is just because I am away from the laptop, (just bouncing away from it!)

Any comments welcome, :-)

Yvon