

Exercise weekend 12

Practice on GBPUSD week 12 and prepare yourself with your trade plans for next week 13.

You need to have at least two plans to trade in week 13 when there is a key data release on Tuesday and Wednesday. The final GDP on 27 Mar will be the prime mover.

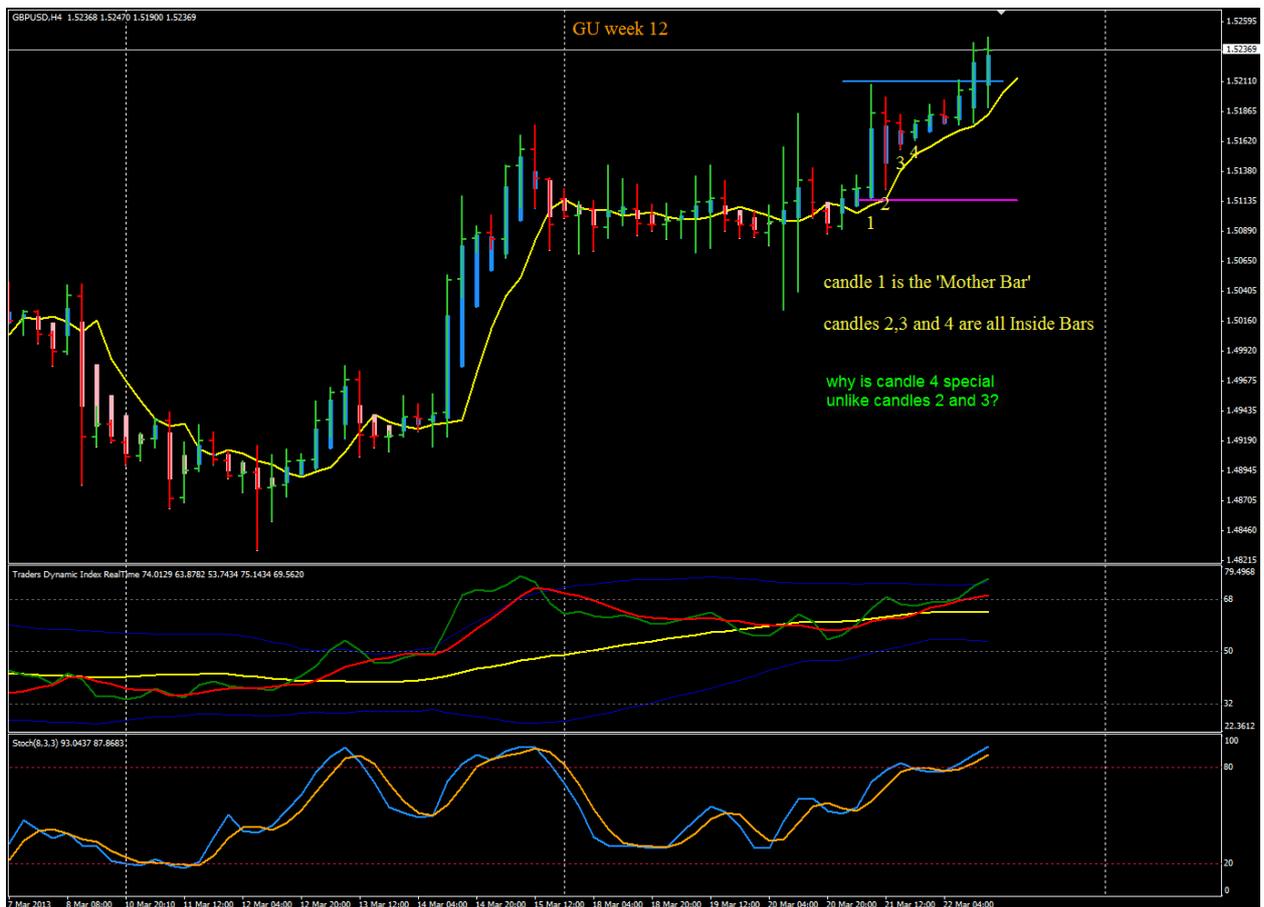
A Plan A and a Plan B ... is a must when you want to be in the market all the time. You can only make money when you are in the market.

Plan C is good as backup when both Plan A and Plan B fails.

Look at the two charts below: H4 and H1

The training template and the indicators with settings are all attached in this post.

H4 chart below:



Use the attached template and indicators plus settings for your exercise.

H1 chart below:



Exercise:

- 1) Learn to identify the Inside Bars (IB) on your H4 chart TF.
- 2) Answer that question on the H4 chart, why is that candle #4 special unlike the other IBs candles 2 and 3.
- 3) On your H1 chart, learn to identify the H1 setups with your own reasons why you consider those are 'good high probability' setups which you would take and why.
 - a. Consider also the market sessions hours when you decide on H1 setups
- 4) Then go down to M15 and learn from the price action how you would have fine-tuned your H1 entries using M15 price action.
- 5) On M15 chart, practice the following:
 - a. learn to draw trend lines (TL) using significant highs and lows swing points
 - b. learn how to identify pattern 'flags' and 'pennants'
 - c. learn to identify divergence on the price and the TDI.

- 6) When you have completed the above, you must practice and learn how to determine the logical stop loss for your H1 setups. Write down your reasons you used for determining the initial SL i.e. the Risk for each trade setup. We call this risk the 'R' and we shall be using the R-Multiple concept when we trade.
- 7) For every H1 trade setup, you must also learn to identify the opportunity for example the potential of that trade setup like
 - a. If there is a breakout potential
 - b. The target profit range which will give you a good RR of above 1:1.5 minimum
 - c. Potential to convert the H1 intraday trade to a short term H4 swing trade.
 - d. Opportunities to add-in more positions with protected profits (using portions of the R)
- 8) Risk of the H1 setup: You must also identify what the risks of the H1 setups seen on your chart.
 - a. Intraday support and resistance – using previous D fibos or pivots, BRN and RN, dynamic support and resistance using common moving averages 10/50/200EMAs.
 - b. Do not ignore the previous D Open, High, Low and Close (OHLC).
 - c. Look for price forming 'floor' or 'ceiling' and use them as base for Buy and Sell setup decision
 - d. Look for CONFLUENCE of the above mentioned support and resistance.
- 9) Trade Management – you need to think of the method how you will manage your trade exits.
 - a. When do you move your stop to protect your profits.
 - b. When do you move your initial SL to reduce the risk.
 - c. What is your exit plan in terms of trade size to exit to bank-in floating profit.
 - d. What will you do when new opportunity shows up on your chart.
 - e. What will you do when your trade setup got invalidated.
- 10) Once you have completed 1) to 9) above, you can now prepare your Plan A and Plan B on paper and use them for next week.

******* You can only see when you know exactly what you are looking for on your chart in realtime live trading.**

I am sure you will have questions, please post them for the benefit of all traders when I reply them in the thread.

Enjoy your exercise and practice.

