

Ratios & Harmonics Thread Summary Part 2

Posted by [kyurem](#)

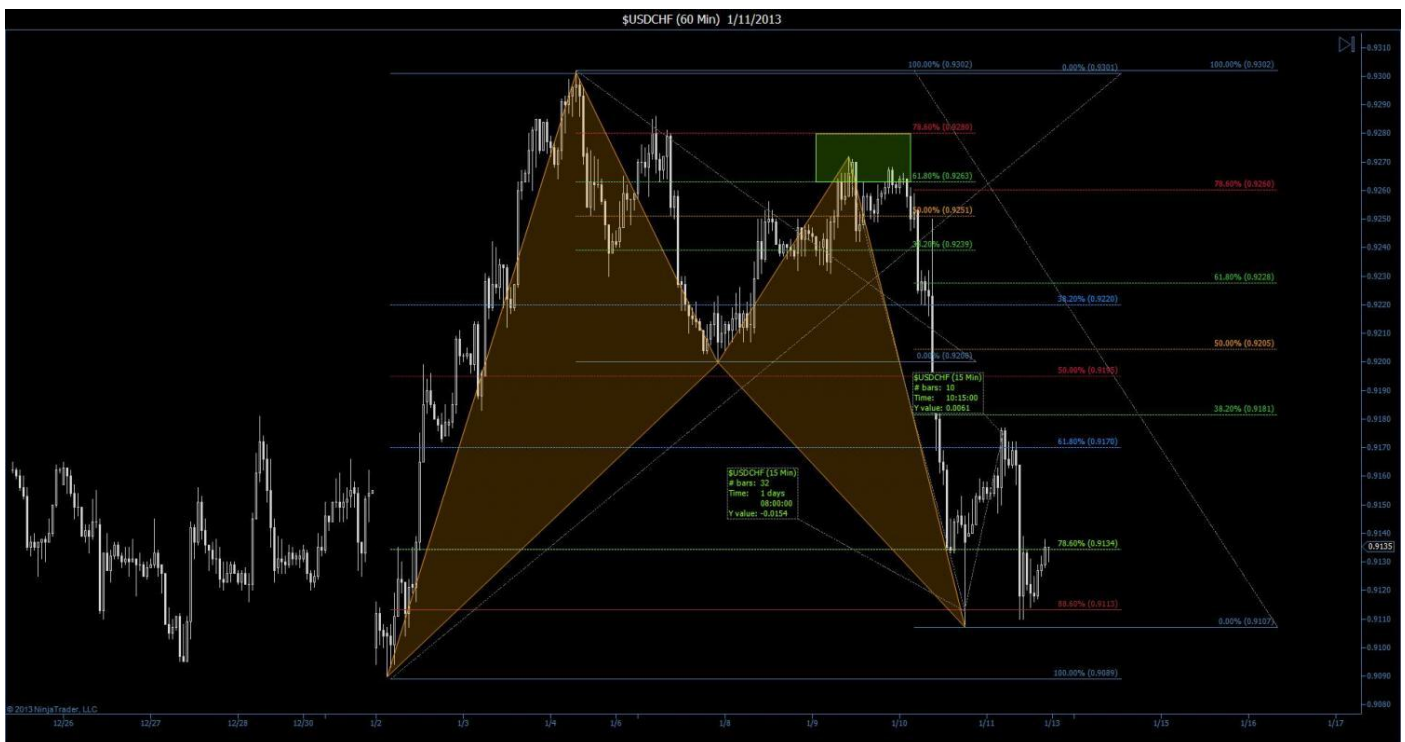
Hi MrPip

Thanks for your view.

I draw ratio retracement in dashed line, as price doesn't match exactly the levels, the chart doesn't look clean. But in such way, I see how perfect the pattern is. It is also the way scott carney draws patterns. I don't know if it really matters...

Rgds

Always draw the ratios correctly and don't force them to fit look at my chart. This will avoid possible mistakes.



Posted by [iqyu5an](#)

hi bud...

totally agree about the ratio, pattern and confluence. we have to make an interpretation on it. they're only number, percentage and market movement modelling what does it mean in reality? what does the CD leg mean?

Assuming no friday yet... look at thursday closing.... she closed above 2012 closing with full bullish candle. the data is already available before friday closing.... buddy...

that means there is demand to close above 2012 closing.....shortly that's impulse wave. Wikipedia said:

[b][i]Impulse (physics),...

Hey my friend I took this trade on Thursday prior to market close but regardless of this, considering a yearly close when there has been many closes even higher to take a trade on a 4H or even 1H time frame seems a bit much and irrelevant to me. This is something I don't even remotely consider. I believe this for me at least falls into the over analyzing or even over complicating a simple process. If we keep looking we can always find a reason to not enter a trade but that is not the business we are in.

These patterns no matter where you take them are pretty accurate. I will simply write this one off as one of those 20-30% that fail. We may both be right and wrong on this one. 🤔

Posted by [Ed777](#)

Mr. Pip,

I know you have plans for different videos for us ...though felt to add a suggestion for one more video in the future that might be helpful to many of us.

Regarding the aggressive C trade....you make it clear that it is important to not go against order flow. A video showing examples of pull backs to 61.8 that were much more risky because they were not in harmony with order flow would be great. Or examples of what appears to be aggressive C trades that are actually risky trades. Not sure this is easy for you to point out to us...but...

Sounds like a plan I will work on one but in the mean time here is the same chart from the video GBPJPY 5M with examples of orderflow and aggressive entries. I think it does a nice job and will help you until I can make the video. Let me know if this is clear enough so I don't make a video that is not needed. Thanks for your question.



Posted by [redpip61](#)

Firstly congratulations Mr Pip on an excellent thread. Holy Grail for me is to do something I enjoy doing and earn money in the process. Happy to say with the help of your thread the first part is just about there, just need to work on the second part. 😊

I wanted to ask where one pattern ends and the next begins. I've attached chart of the Aus/Usd 4Hr TF original pattern seemed to form a Gartley, but when D reached higher than the original X I stepped back and noticed an AB=CD form, though the B-C leg seems very deep according to your original...

Great questions, patterns are not always exact and depending on strength and volume driving price, it sometimes moves further then we would like. This I am in this trade we will see on Money how things look my stop was not taken out but it came close. Also, when the pattern is not symetrical things like this can occur as well.

The Gartley which we will get into on Monday has an ABCD pattern in it. In fact all of the advance patterns have some version of an ABCD or an AB=CD.

Posted by [Starry](#)

Mr pip,

Are there certain reversal patterns that you look for in the PRZ before entering? Or do you just enter? For example, heres GBJPY on the 1 minute timeframe. It spiked down and had long wicks up, then it went up and had one bar which had a long wick down before continuing up.

After all, it has to reverse the previous down momentum before going up, so some reversal pattern should show up.

[Attachment 1115380](#)

I don't have a particular reversal pattern that I look for. You all probably have some that you look for (pins, doji, engulfing, 123) and are familiar with. Look for rejection of the zone by whatever means you use.

I myself use price action analysis or candle analysis and let price tell me where to enter. We will discuss this too but do not want to throw too much at you at once. Too much information at once short circuits the brain. I will leave this up to you what do you want me to cover next the Gartley pattern or price action analysis. We will still get to the patterns so don't worry. If you all as a whole feel covering some price action analysis will bebenefit your entry then we cane cover this before the pattern.

Let me know.

-

Posted by [Starry](#)

Im going to start tuesday trading gbpjpy and i think price action analysis would complement the ABCD trades weve already learned. So would learning the graceful way of exiting.

Any way, well eventually get to it all so im not too worried either way.

Let's see what other traders have to say. Graceful exits are an inportant part of trading. This is something all traders should have in thier trade plan and a set of rules for this.

To simplify this, a graceful exit is when you have not been stopped out yet and all of the reasons for entering that trade are no longer present. When this happens you find an exit as close to breakeven as possible. We will cover this later on as well.

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Posted by [txfxtrader](#)

Good evening Mr. Pip. Do you find certain time frames that have a higher win rate? Could please provide which patterns have a higher win rate? Sorry in advance if you answered these questions. Thank you for your time and I enjoy learning from you.

My favorite and bread and butter is the ABCD. I really enjoy the Gartley as well. I love trading the smaller timeframes and do quite well. Intra day trading is my style of trading.I use to trade the 1 hour and on rare occasions the 4 hour but the pace was too slow and and found myself bored most of the time.

Forget about me and my experiance you need to find a timeframe that you can keep up with and practice. You also have to determine how much screen time you have to trade. your personality will steer you to a comfortable time frame. This works on any timeframe and there is no such thing as noise. it is all price action on that specific timeframe.

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Posted by [Damien1881](#)

Thanks Ezzy, I do see a bit of structure on the daily chart , don't know how relevant it will be, if at all . I've been trading Bats and Cyphers using limit orders with success and haven't worked on the basics, lol . Now I have a better understanding of order flow , I'm worried that I'm going against it.

Going against orderflow is not a terrible thing but the reasons have to be there. Building that case for entry.

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Posted by [LuisPrinc](#)

Hey Mr. Pip ! I`am really amazed by your sharing knowledge and your great personality ! 😊

Anyway the famous Paul Tudor Jones always said that he made more money by looking for reversals than otherwise.

And finally I found Mr. Pip that show me how easy can be traded this like a too good to be true story 😊))

What do you think is this the right swing recognition on Euro ? 😊

All the best !!!

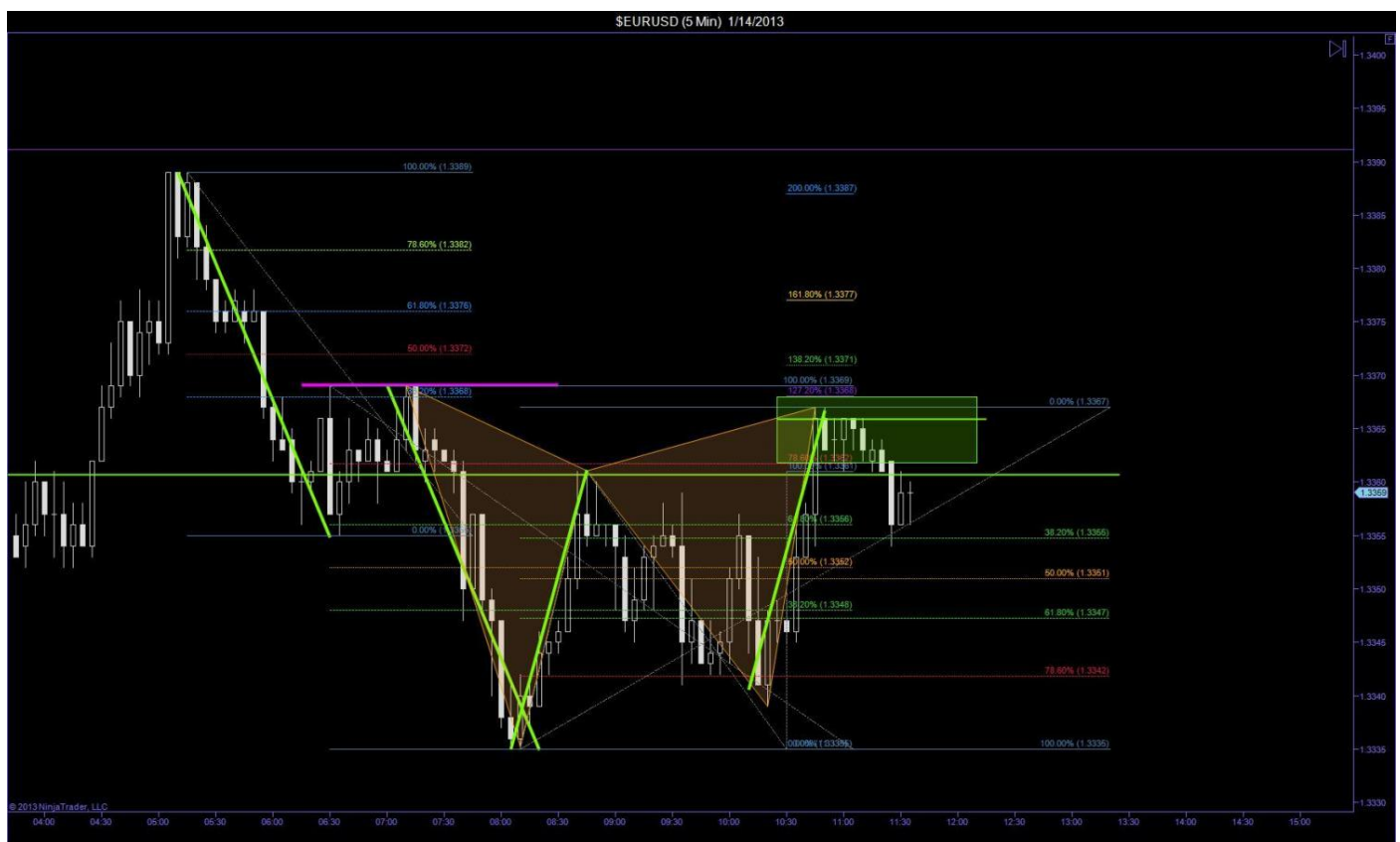
Yes, that was a valid C buy and entry there gave you a breakeven trade as orderflow shifted to the bears. The rules are designed to protect your soldiers. Do you see how nice that works out. A breakeven trade is a win in my book I don't know about yours.

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Posted by [gbryant20](#)

This is a 5min chart of eur/usd. I have a question regarding order flow. From what I gather the order flow is down...correct me if I am wrong please. With that being said there is a buy opportunity for an aggressive C. Would the preferd trade be the aggressive C sell that we are still waiting for or the buy? I know one could play both I am just trying to get my mind wrapped around the trades with order flow. Thanks

TTthis is the price action I traded this morning but on the 233T. I have added a couple of trades to the count. But this is to show you short term order flow and longer term order flow You can play them both. The Gartley completed in line with longerterm orderflow adding strength to the pattern. The aggressive C around 1.3342 was supported by short term orderflow and an ABCD of the Gartley this aggressive entry had a case for entry.



-

I had missed the original NZDUSD Gartley from Friday but found an opportunity to reenter this morning on an aggressive C on the correction from last night. The RR was still very nice and the case for entry was there. Here is the chart. Up 26 Pips.



Okay Traders you asked for my session and here it is. I had to rush through it a bit because these videos have time limits but hopefully you get to see the approach. The shorter timeframes are busy and lots of fun. I entered my last trade around 11 and I started at 7 so 4 hours of trading. If the video is too rushed or too hard to follow don't worry that is not the focus of the thread. You will get there but we have to take baby steps. I'm glad to see many profitable trades which should help start building that belief system. Well as with every video posts questions comments and concerns.

<http://www.youtube.com/watch?feature...&v=jH89gpGxkuE>

Posted by **Starry**

Mr pip,

Have you found that you can achieve tighter stop losses if you wait for price rejection? I was reading the book, for example, and it says that for $AB = CD$ patterns that retrace to 0.618, you should look for price action in the 1.618 BC projection, and if it retraces to 0.786, you should look for a 1.27 BC projection PRZ zone. Your rules allow us to trade ABCD patterns, where C is a .618 - .786 retracement and D is a 1.27 to 1.618 projection of BC.

So, if it retraced to 0.618 and went to the 1.618 BC projection area and then, via price...

Price can reverse anywhere in that range the stops are tight enough if you wait around for that perfect extension you will find yourself missing the boat many many time. Find the most confluence in the PRZ and shoot for entry there upon price action confirmation. Books are great and often cherry pick charts. Real time is a whole different animal. Too tight and you will be stopped out. The market also needs some breathing room.

Posted by **Starry**

heres an example where it breaks a prz zone, then pierces the 88.6 line (change of orderflow), then it retests the broken prz zone and then goes up.

edit: woops i think the prz is wrong. it didnt quite retrace to 0.382 so it would be a longer bc projection, or just use an equivalent $AB = CD$. oh well

[Attachment 1116492](#)

Build that case find confluence. Price will guide you.



Posted by [BroncoCap](#)

Hi Starry,

A couple thoughts. First remember that point C in an ABCD is not technically a PRZ in the true sense. PRZ's as I understand them come from completed harmonic patterns. That is to say, PRZ's are more reactive zones due to a confluence of harmonic levels. Point C on the other hand is a predictive zone. I am predicting based on the AB-leg that price may turn near C, but if you look at many of my trades, they will penetrate well past 78.6% and near 100.0%. My trade zone between 61.8% to stop at 100.0% is very wide, not really a tradable...

Aggressive C are also very powerful trades but it's like all the others build that case find the confluence and more often than not you will come out on top. The PRZ cannot get much tighter. The answer is CONFLUENCE trust me 🙏

Posted by [Davit](#)

Hi Mr PIP

Here is what I have going.NZ 1hr chart

My rational for shorts are confluence of Price did not violate 786 and got mini double tops and serious resistance ahead at 8450.Even after Ben's speech today Price did not break 786 which confirmed my reasons for shorting. Yeah I never care about the news price respects ratios and harmonics more.

Tell me about all those orders. That looks scary.

Posted by [Moviemkr](#)

Greetings Mr. Pip,

Excellent thread. Any plans on adding the Cypher and Shark patterns to your most handy "Advance Pattern Reference Guide" anytime in the near future? That would about cover Carney's legitimate patterns, wouldn't it?

Thx,

Moviemkr

Cypher yes I trade it and have the rules already. I do not trade the shark. You have to draw the line somewhere. One you get comfortable you will find that the more patterns you have the more complicate yourself. All you need

is to master a couple and you are golden. I trade mainly ABCD, Gartley and Bats. I let most crabs and butterflies pass by. There has to be major confluence for me to take one of them.

Posted by [BroncoCap](#)

Currently just running 1% of account balance (as established on Sunday/Monday).

My stop is always 1 pip above/below the A point, therefore I can exactly calculate the loss prior to entering the trade (save any slippage). The formula is simple = $(1 - .618AB) + (1 - .786AB) + 1\text{pip}$ is the max loss. If you do the formula, you will see that stop is $.596AB + 1$.

After figuring that, I can quickly determine how many units to trade based on 1% value.

Also, you can calculate possible reward as it is $.618AB + .786AB$ (assuming both fill). That gives $1.404AB...$ 90% of the time when price breaks a high or low it will hit the 1.27 this is a great take profit if you at with orderflow.

Posted by [kyurem](#)

Hi redpip,

thanks for your comment.

The zone I marked is the PRZ identified for the bat, around 0.886 of XA. I'm not sure the 1Hr 38.2 should be considered, cause it enlarges too much the PRZ. Maybe a Mr pip can answer to this....

rgds,

This Bat does not fall within my ROE but it does fall under the generic pattern. As this pattern played out cause the PRZ to be too wide for my taste. I appears it has worked out any way but where would you have entered and the best area of confluence is where price reversed. This was outside of the patterns PRZ. So if you entered in the PRZ you went through some pain before experiencing what is not pleasure.

Can you see even if the pattern is invalidated per my ROE there were many other harmonic considerations and a case for entry in the area I identified as much better confluence on my chart. There was little to no confluence in the Bat's PRZ.



I agree, setting the PRZ off the 15M keeps it tighter, but I was looking for other reasons. Anyhow, got 10+ pips off this, but plenty more to be had there.

EURJPY (15 Min) 1/15/2013

EURJPY (15 Min)
bars: 0
Time: 00:00:00
V value: 0.88

Risk

Reward

EURJPY (15 Min)
bars: 0
Time: 00:00:00
V value: 0.23

EURJPY (15 Min)
bars: 0
Time: 01:15:00
V value: 0.65

100.00% (118.90)

78.50% (118.70)

61.50% (118.48)

50.00% (118.32)

38.20% (118.16)

0.00% (117.80)

Target 2 as you are against orderflow

Target 1 BE

Entry

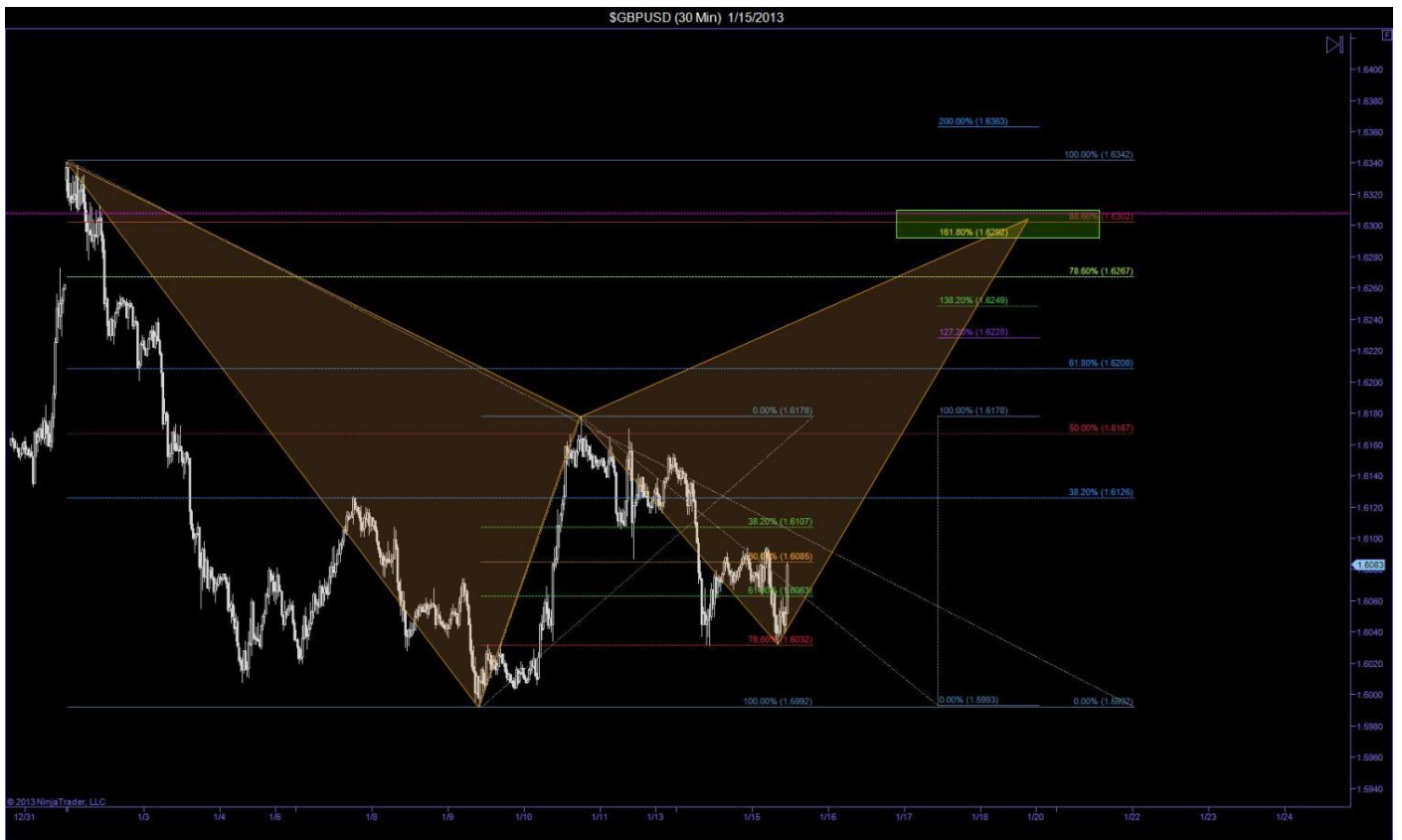
Stop

Much Better Confluence

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GBP/USD ABCD resuming aggressive C on support from fibonacci and structure.

Remember to take a step back and see if you missed anything. Could be a really nice ride up to a Bat completion with nice confluence.



Traders here is an update on the three orders I have working on the higher timeframe 1H

The word document is the screen shot from Ninja on the P/L



Kyurem

Anytime, 886 I use only for the bat and butterfly. Ninja allows me to easily turn it on and off so that's why you hardly see it on my charts. There is no specific width for the PRZ but the ROE I trade offers the tightest possible while still giving the market enough breathing room to dance. The important thing is to find that area of confluence.

Posted by [FineForex](#)

Looking at the eur/usd 4h, just trying to get a handle of identifying the important areas correctly. ABCD pattern..?

Forgive the MA's. i use them in some other techniques and consider them to add to confluence when they line up with PRZ with they happen to do so.

Also i believe this would be going down into an inverted H&S so i would most definitely hesitate to engage this trade but it would be nice to know im understanding the measurements.

thanks in advance

Hello FineForex,

Please do not take this the wrong way. Identification is one thing and where we want to trade from. Belief is not where you want to live. Belief in your trade plan yes after proper testing and validation of positive expectancy.

Belief the the market will do X and Y is the fastest way to polluted trading. You simple cannot trade like this and have positive expectancy. You might do okay for a while but it will catch up with you quickly.

We trade what we see based on visual facts. What we think or believe has no weight on our course of action. How could it? How could you or I possibly know what other traders are thinking when the market is steered by emotion?

We don't want to join that group, that's part of the 90% and you know where they end up. I'm the guy that is trading against you when you trade that way. Does that tell you anything.

Run your analysis based on facts. Take trades per your rules. This is not a science project where you start with a hypothesis. Trade empowered. Trust me the difference this will make in your trading will be life changing.

Posted by [FineForex](#)

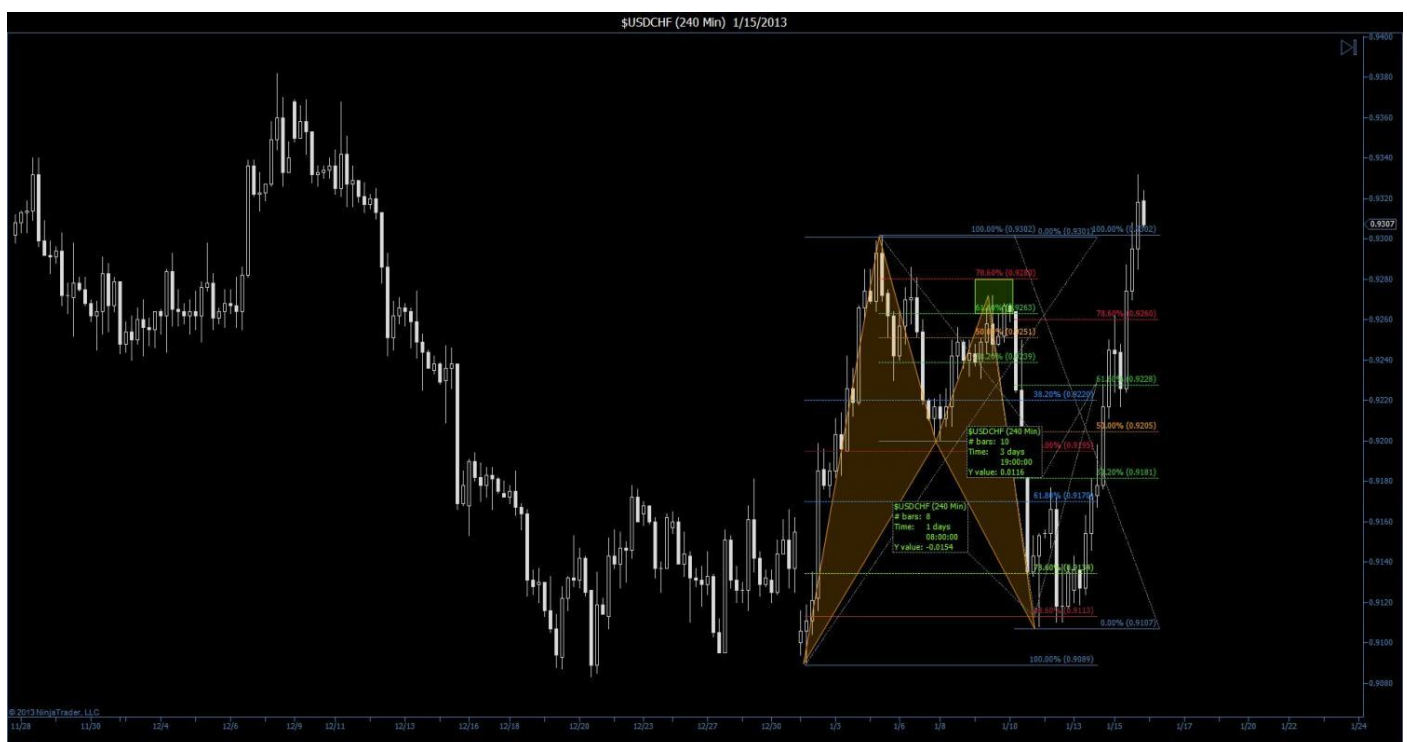
Looks like quite a bat happened in usd/chf 1h. this is in hindsight but hey

at the beginning of the thread mr pip you mentioned these were all over the place on any time frame. im starting to understand the gravity of that statement. wow

(assuming this analysis is correct)

Yeah we pointed it out when it happened

Attached Thumbnails



Posted by [BroncoCap](#)

Ha! Thanks, that makes sense. Wondered how they could be so far off.

As for the trades, ultimately, who knows what I would have taken. Yes, white was a ballsy trade and looking back it would have been a forced, bottom picking trade. Later, we could establish the strength was waning based on depth of pullbacks and inability to keep pushing lower with same velocity. One reason I would consider taking both long and shorts. That 78.6% rule is hard as I see plenty go past that level only to return. Even today, all but 1 trade triggered 78.6% (although...

Hey Bud, you don't need to slow down this is about taking these patterns and making them your own. I am simply laying a foundation here. If you get stuck on your process or I see something that will help you I will mention it. I am very successful with my rules and approach but they may not fit with your style and not work for you. I can tell you what works and what doesn't based on my experience. At the end of this line you still have to place the trade so I want you to do it comfortably.

Posted by [Starry](#)

I hope my subjectivity will lead to rules tailored to gbpjpy. Then it wont be subjective.

So far, the most subjective part is which impulse waves to draw, theres so many. I guess thats why you introduce main and dominant swings.

But some of the things arent subjective. Enter on the retrace after the break of a resistance level.

It wont leave me in the poor house cause im demo trading and i wont go live until months of success 😊

Cheers 😊 to tomorrow's success!@

The rules are the same for any pair and timeframe. That is exactly why I use a main and dominant swing. This gives you a point to start from that is relevant to current price action.

Posted by [Starry](#)

For example, heres a pattern ive found that happens quite alot. It curves upward in a concave upward curve and then it hesitates (because it has to pierce some resistance) before it shoots up. Theres two example, each one with a concave up curve. The first green arrow would have been based on that concept. So the rule could be along the lines of "find lows in the following sequence: higher low, a low, an equivalent low, a higher low and enter on the higher low". Or i could enter on the equivalent low and have an aggressive sl in case it doesnt...

Kind of I promise to get to that video tomorrow but why complicate your life with a labor intensive process. Basically what you have is an area of support. Build your case look at my chart. Keep things simple.



Posted by [Starry](#)

I dont see any trades that wouldve fit the rules of just using the dominant / main swings. Would you have placed no trades between the two blue dots, which mark the times i traded?

I put a fib line on the main swing i used.

[Attachment 1117394](#)

I have a chart attached with your trading time frame 1 min. I disregarded any news and did not care about higher timeframe consideration. I identified three trades based on that we have been discussing here aggressive C buy, Pattern completion ABCD. And retest of PRZ. I know the chart is busy but I wanted you to see the fibs and confluence as well. Three trades and 95 pips. This has nothing to do with hindsight they are off of the rules I have been discussing.

Now get in the game. I know you can do it.



Posted by [Starry](#)

Dont your rules have destructive thinking in it too? Trail the structure by 10 pips? Or take profit at 61.8%? Sounds like non destructive thinking. Its not destructive, its taking hints from the market that it could go further and then trailing it. The hint was the large spike up which pierced the trend channel. Price action? Price tends to pierce resistance initially, than retrace, then shoot up. Is this your experience ? (i haven't really looked at a lot of charts).

And yes i realize that my language hints that im thinking its all in hindsight...

There is nothing destructive about my rules. I do not trail on structure any more since I trade the smaller timeframes, but if I ever wanted to do so I have a set of rules in place and wouldn't be doing so blindly. Also trailing on structure is more applicable on higher timeframes in swing and position trading to lock in profit because you are exposed for longer periods of time. I hope you can understand the difference. Trailing is also started once price has met the 61.8 your choices are simple and you will have to determine what will work best for you. Take full profit at the 61.8, close half of your position and trail the rest to structure -10 until the market takes you out. These are rule sets you should have in place in case the situation comes up you know how to proceed.

Posted by [Starry](#)

Thank you, you take a lot of time to make such charts it's very encouraging and I'm sure many people will find it useful!

I'm having some trouble with main swings and dominant swings. For example, why wouldn't you have traded the trade below (which I actually took). Is there something with main and dominant swings that I'm missing that would make you not trade this?

I find it confusing where to draw the Fibs to find the convergence. Which highs and which lows? Let me study this and I think I'll improve.

[Attachment 1117437](#)

Thanks 😊 I'll have...

Here you go take a look at my chart



Posted by [Starry](#)

K, I have one question. Wouldn't the place where it wicked through the 61.8 zone be an aggressive buy, since the rules only require it to wick through? So the aggressive C rules were met?

Read more carefully. The aggressive C rule states there must be a close within the 61.8 and 78.6.

Posted by [Damien1881](#)

A Cypher in light green, Gartley in blue [Attachment 1117691](#) and ABCD all completed and I wasn't watching this pair so missed it.

The 233 T only offers you the ability to trade one pair comfortably.

Posted by [LuisPrinc](#)

Hi Mr. Pip!

As I see in your 2. trade ABCD Sell you took your TP at 61.8% of CD instead as mentioned in your rules of trading on 61.8% of AD leg!

Also all your trades were for me very difficult to understand if you take into account only rules that you provide us on C-aggressive and ABCD pattern.

Could you explain it how in the video later, so we should make clear how to trade patterns 100% accordingly to our rules ? I am now very confused how you determine the main swings and wonder how am I gonna be able to it do like you in the future.

Thanks...

I'm sorry I have confused you. I took profit at the 61.8 of the main swing because it was against long term orderflow. Once there was a retest and failure at the double top the pattern was traded. Had you not seen that you would have still been fine with one less trade and great profit. Did not mean to throw a wrench your way.

-

Posted by [jb19](#)

@MR.PIP

you wouldn't be familiar, with Jason Stapleton or Akil Stokes? your trading style is almost identical

Yes, I am familiar with Jason not Akil very similar he has way more rules, I don't know how he keeps track of them all. He knows his Harmonics and is sells professional education very \$\$\$\$\$\$

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Posted by [well0143](#)

stuffed it up here it is 😊

[Attachment 1119154](#)

Hey bud you forced the sucker in there there is no pattern yet but you missed a very nice ABCD



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Posted by [well0143](#)

abcd maybe as well I'm not sure I've lost some confidence for some reason maybe not following my own rules, to excited about it need to really tell my self to sit back and do my analysis

[Attachment 1119155](#)

Here you have two pattern completions a Gartley which is at break even and one of the trades I'm in I've been showed you all in prior posts and an ABCD which completed and took profit for 54 pips. I did not trade the ABCD because I was already short. Up 44 pips at the moment.



[Posted by starry](#)

mr pip,

do you have any rules which allow you to trade a bounce from the 38.2 line after consolidation there plus an ab = cd pattern that dead ends into the resistance? I didn't trade today, but reviewing gbpjpy, there was that situation and i have seen in strong markets that it doesn't pierce the 38.2% line.

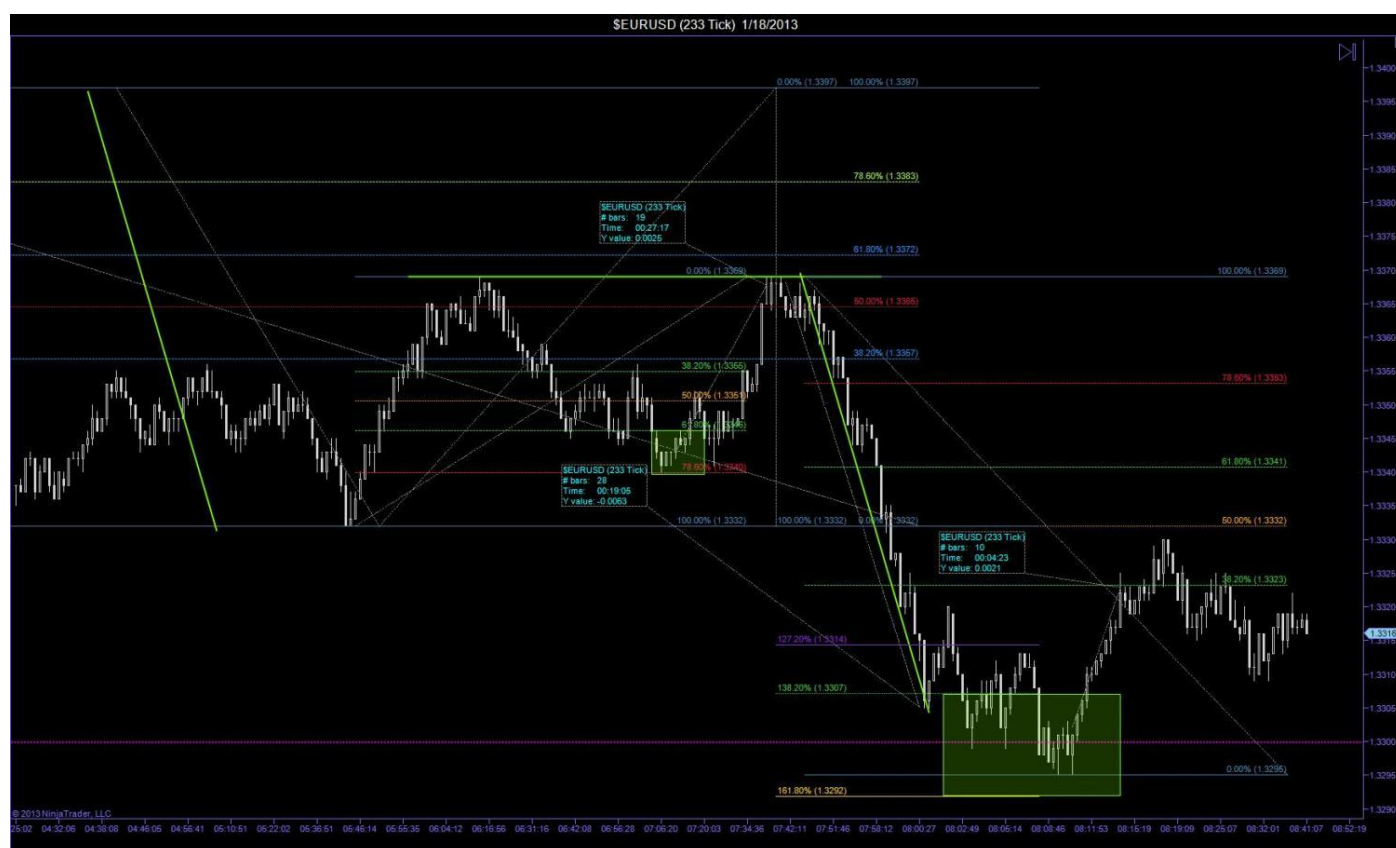
Maybe move to break even at 38.2 of the large swing down previous and take profit at the 61.8 line?

[Attachment 1119165](#)

I trade those but you need to have strong structure and at least a retest of the 38% same goes for the 50%. The reason you want to stay away from these if you can help it is because its your first area of S/R the 50 being the second. Taking a position in this area puts you in a bad RR as you have potential trade right into potential structure R/R of the swing you are trading. Did you get that?

An aggressive C I took yesterday AUDUSD 15M up 40 PIPs right now

Hello Traders, these are the trades for the day on the 233T. I am also flat on AUDUSD for 33. Total for the day 142 pips



Here are the rules for the Gartley Pattern. I will be working on a video that shows the dynamics of the pattern. Aggressive entries will be covered once I feel you have the basic pattern covered.

Posted by [Georji](#)

Hello Mr Pip, nice trade but how do you decide your entry point (at which candle close)? i really like your strategies but i'm not sure about choosing the right candle for any trade entry.

thank you

Look at the chart.



Mr. PiP

Do you consider Gartley pattern valid as long as point D doesn't take point X? or Gartley pattern (by your rules) should be contain by 88.6% retracement of XA?

Yes a close above or below X definitely invalidates it. I guess if you are get to the chart late and price is there is fine it may be a better fill smaller risk better reward. But prior to I would take the trade In the PRZ

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Posted by Starry

Mr pip,

I have a question regarding confluence of fibonacci extensions. I get the abcd 61.8 , but what numbers do you use to find confluence from fib extensions?

For example, in the gbpjpy you used the 161.8 and 200% extension to find confluence (at the right hand side of the chart), not specifically in this chart because it wasnt during trading hours. Also you used the 161.8 and 138.2% extension for the second trade in the gbpjpy chart.

And in the eurUSD example today, you used the 132.2 and 161.8 extension to find confluence, though perhaps... It isn't a number. It's the area where multiple things come together and a harmonic projection (structure, ratios harmonics). Typically this falls between the 138 and the 161 but on occasions as you have seen it expense past the 161.

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Posted by tp0440

:-) Matching name (kamikaze.press).

1. Again. Failed pattern means break of support/resistance, so basically it translates to "new" signal or confirms continuation

2. This way you can recover from a loss you had on failed pattern. GBPUSD today is perfect example. After pattern failed, it gave another 40 pips. Or in fibbo language, made 161.8 extension of previous swing. Coincidence? I'm not saying, it'll always give 161.8%, but will give some known fibbo extension level.

Mr. Pip: I apologize for barging into your thread. If above explanation...

It's fine. I can't say this enough and to be honest I don't hear anyone talking about the price action in the PRZ. What is price doing in the in the PRZ that caused entry.

I also somewhat disagree that a breakout confirms a continuation, a proper confirmation is a pull back to structure test and continuation. Just because a pattern completes doesn't mean you have to jump in. Validate the patterns check order flow see if the pattern belongs there order flow will guide you.

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Posted by fiovit

I note that the first position was ahead by 19 pips, I wanted to be close but I left it alone to see the reaction at that level, just out of curiosity, I'm only testing, probably I would not risk real.

Hello my friend you need to treat all trades as if they were real. This helps build confidence and teaches you how to deal with the emotional component to trading. This is why I don't like demo account. Open a real account with a couple of hundred bucks and trade the smallest position size possible. It's different when its for real.

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Posted by Starry

ive noticed that aggressive ABC and ABCD trades are more accurate when they have confluence and structure, instead of just taking it off the 61.8 line. sometimes it will go past the 78.6 line just because theres a harmonic pulse that ends there/confluence thats just right above, and then i think its ok to take it even though it goes past 78.6

Confluence and structure always adds strength to any trade setup. I for one like the aggressive C trades they are a great opportunity to capitalize on the pattern and also help absorb the loss if D fails to reverse. They are truly a win win.

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[Posted by FineForex](#)

Mr. Pip have you ever tested using stops in relation to the fib ext. of BC instead of AB?

This would not be the best practice because although you get a smaller stop it also always places it within structure and that is not a smart way to trade.

-

[Posted by 45drive45](#)

I totally agree with this. For some reason just losing a couple of bucks just gets me into turmoil. But in real life we piss off that amount without flinching. This is a part of trading that I find most difficult in doing. Riding the pain while waiting for the analysis to pan out. I am just on a micro account now. I wonder how it would feel with hundreds or thousand in dd!

I can definitely get hairy you can't focus on the cash or the last trade. The past is the past find the next trade and follow your rules again. Wash, rinse and repeat.

-

[Posted by Bary](#)

WANT TO BUILD CONFIDENCE?

We know having confidence will help all of us overcome the fear of trading losses. Losses will always be part of trading.

What everyone should do is go thru past charts, using strategy tester or just scrolling back and advancing chart bar by bar in the time frame you trade and the trading hours you trade and draw fibs and harmonics on every swing identifying trade opportunities. I record every C and D trade and review the results. I can now quickly identify patterns in live trading. It is also building my confidence....

Thanks Barry excellent advise! I still constantly go threw charts and especially the trades that don't work out to see if I missed something. I think the trade simulator is a useful tool but nothing beats the live market. Feel free to post is here if it is something that can be done. This will help some of the traders.

-

[Posted by Moviemkr](#)

Greetings again Mr. Pip,

I was just wondering if you could take just a moment to advise on how to create the diagrams that you made in your awesome "advance pattern reference guide" and your latest "rules of engagement" document. Do you just create the diagrams in Ninja and then save the file and you are able to manipulate its size in Windows Paint or whatever? Do you need to create the diagrams on a white background and not a black one to print on white paper etc? I would like to create my own documents because I feel creating it on my...

I draw it on a chart and do a print screen, then I paste it in paint and crop to liking and then paste it into a word document. I use the white background because its easier to see on paper and saves mucho ink. After it is in word you can size it to liking or do many other things.

-

[Posted by starry](#)

mr pip,

on the abcd 38.2 retracement of BC for moving to break even, what if it just wicks through it and doesn't close beyond it? do we still move to break even?

For example, heres a chart of the euraud, it pierced 38.2 and didnt close beyond it. there will probably be a gap over the weekend, so not a good trade...

[Attachment 1120188](#)

Yes wicks count. Stops move.

-

[Posted by liemo](#)

Hi Mr Pip. Would like to pick your mind. Below GBP/AUD 1hr chart show 2 ABCD patterns completing around the same area, both reaching the 1.272 of AB extension.

Smaller abcd => Price and time of ab=cd are the same.

Larger ABCD => Time of AB=CD is different.

1) How would you approach this trade, would you trade the smaller or larger ABCD pattern?

2) (If you answered smaller abcd to question 1) If both large and small ABCD are the same in price and time, how would you trade this setup? Would your target be 618% retracement of the larger or...

I would trade the larger one the smaller adds strength to the PRZ. A correction of the larger pattern to the 61% would be the trade to take the 38% breakeven would protect you in the event order flow holds.

-

[Posted by starry](#)

Mr Pip, what makes the PRZ of a bat succeed more than any of the other complex pattern PRZs?

I don't see it that way to start with having successful trades among the patterns is have good confluence in the PRZ and price action confirming the level.

-

[Posted by starry](#)

Hope you've been having a great time!

Here's one I was wondering about. It seems PRZs are just where price reacts. Will it bounce or pierce it, most of the time. Is there an edge? That's the problem I've had with resistance/support. It seems some PRZs repel price more readily (the complex patterns). I was wondering whether I should short this, whether I should buy assuming it would go through (there was incomplete $ab = cd$, maybe it was just pausing in the PRZ resistance? the wave hadn't completed yet!)

[Attachment 1120524](#)

In trading we don't assume anything. The decisions have to be made based on facts. Build your case, find the confluence and the path of least resistance. Price will follow that path more often than not.

-

[Posted by starry](#)

Wow, price slid right through this PRZ. I'm quite sure not all PRZs are equal, there must have been a larger harmonic pulse that hadn't completed yet.

PRZ reason: $AB = CD$, 161.8% AB extension, 61.8% , structure.

I'll bet it will test the PRZ and then keep going down. Unless the PRZ isn't really a PRZ, did I do this right Mr Pip (I guess I didn't use a dominant main swing for the $AB = CD$ though, so it's weaker) ? maybe that aggressive C sell will pay off . need to learn about price action in PRZ. night traders!

[Attachment 1120554](#)

You didn't take the time to find the proper PRZ. You were on the right track. The PRZ is not a specific ratio. The original swing did not even get to the 38% it only got to the 23% Harmonics are based on equal distance move most of the time this puts the PRZ well below the 161. The PRZ is the confluence of elements that come together in a specific area. Look at my chart and tell me where you went wrong. This was a nice 25 PIP possibility.



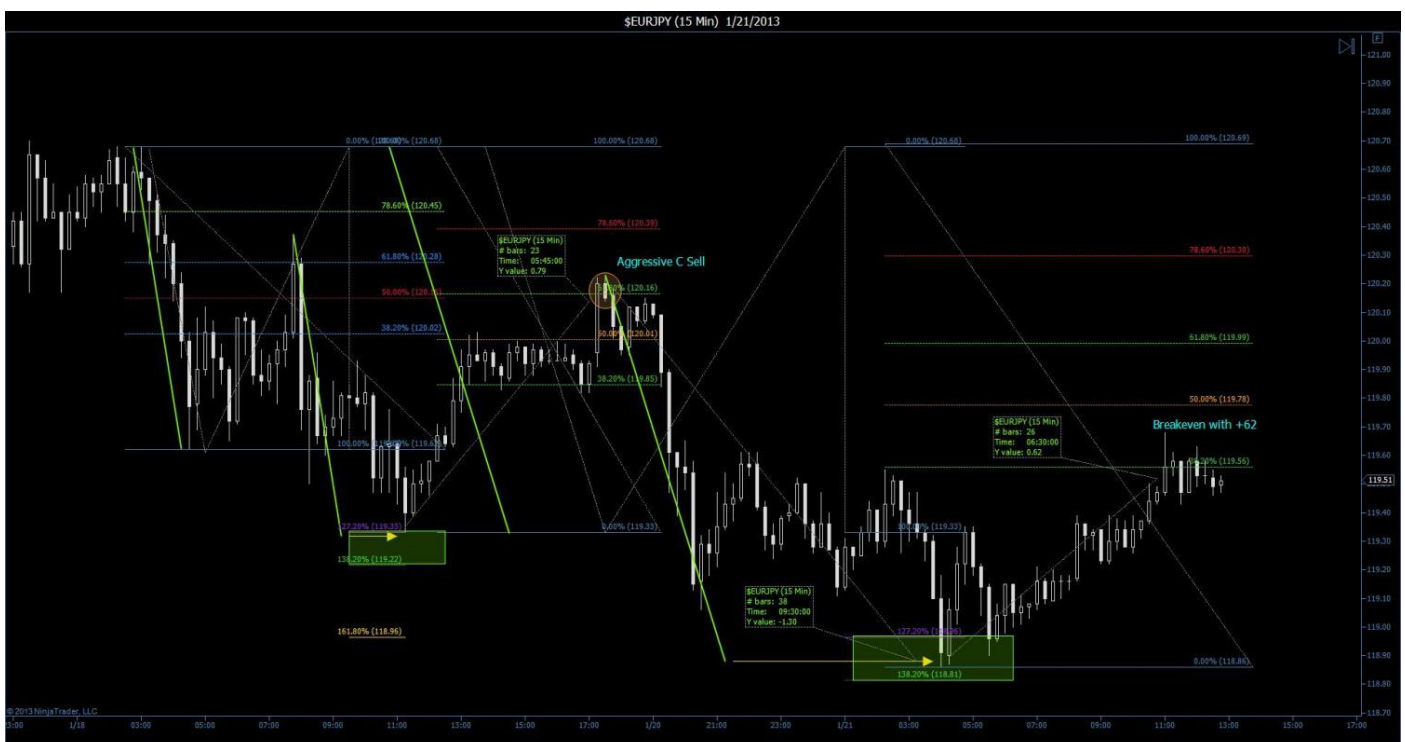
Posted by [Floyd1](#)

Again left the trade to early this aggressive C sell

As Mr Pip has stated price has a tendency to slow down when approaching projected price target
That's when the ride can get a bit hairy - I still worry to much that market could take back pips in bag and projection will not be reached entirely

Well - we are learning still

Trust your trade and your rules be patient and let each trade run its course look at the opportunities missed. Three trades 1 with 79 pips 2 with 130 pips and 3 at BE with 62. Be patient traders the rules are designed to capture the moves but patience is key



Posted by [starry](#)

Heres a trade that i accidentally set the sl to 1 pip and got stopped out. woops 😊 A nested butterfly and a larger gartley, GBPJPY. Very nice RR ratio! Maybe thats because i set the sl to 2 pips above X, but it was a large gartley pattern (so would've shown up on a larger timeframe, and thus needed a larger sl above X)?

Here you go!

[Attachment 1120964](#)

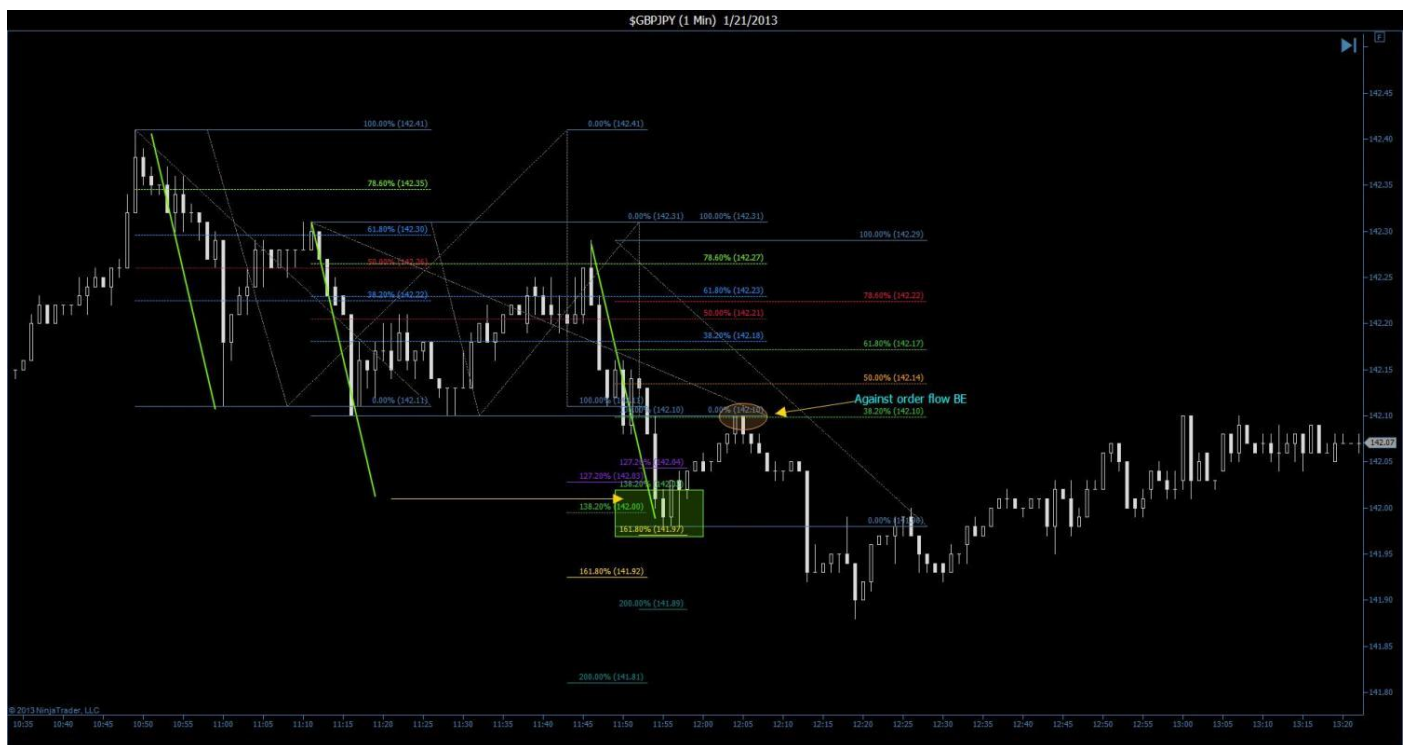
The rules are ten pips above X this will save your position on a spike or false break of X

Posted by [starry](#)

For example, would this ABCD be invalid because it found support before it reached D? And if you had placed the sl 10 pips below 161.8 , you wouldnt have gotten stopped out (i guess this is a spike on a larger timeframe), but would you need to readjust the 38.2% breakeven level, since it went down far below the 127.2%?

[Attachment 1120995](#)

Look at my chart and tell me what you see based on what I drew.



Posted by [starry](#)

Ive attached a chart. It seems i didn't extend the 100% down to the low of the swing that didn't reach 38%. Also, i placed the equal distant swing at the very top, while you placed it at the doji. In addition, it also closed below the 61.8% retracement, so could've been an abcd trade.

So are you saying you wouldn't have traded this because it only got to the 23% harmonic?

Also, i dont know how to trade general confluence (anything other than abcd and gartley). do you just put the sl 2 pips below the bottom of the prz (since its 1 minute), or...

I would have traded point D and the stoploss is not a on patterns have the rules outlined but in the absence of a pattern or on a regular trade that you take the stop goes where your analys is wrong. Basically what you are saying is that if price get here then I know my analysis is incorrect and I no longewr have any reasons to stay in this trade. that's where a stop should be placed.

Posted by [starry](#)

I see an area of confluence based on the 138 extension of AB, the displaced AB leg, and the 161.8% exhaustion of the previous swing before it went down.

Since it broke the support, the orderflow was down. then it bounced off of it, so move to breakeven when it bounces off. Or could you hav emoved to breakeven because it pierced the 38.2% of the final leg?

Also, where does the stop go when its displaced like this. 2 pips below 161.8% extension of BC @141.84, since it is sort of like AB and the displaced leg is like CD? Im not sure where our analysis...

Ideally below the 161 but at the very least a few pips below the swing low you have to decide what risk is acceptable. Too tight of a stop is a problem. Also you know that if price trades below the 161 you are most likely wrong so why not put it there.

What you call displaced legs are just small minor corrections that can be used to validate your analysis by adding confluence to the PRZ or an aggressive C buy or sell area. Does this make sence?

-

Posted by [Starry](#)

Also, do you wait for a candle to close in the prz before closing. for example, in this picture, the price candle blew through the ABCD pattern with one candle.

But i didn't offset that impulse wave, so maybe that would have invalidated the abcd trade.

I know in the rules it says to just place a limit order at 127

[Attachment 1121053](#)

These rules were designed for the higher timeframe if I am not there to see what's going on a limit order is what I do. That is not the case in my trading any more I only trade within my ours of operation. So I wait for a candle close and based on the price action in the PRZ I enter next bar market order.

-

Posted by [BroncoCap](#)

Starry,

Wow, you are going hard, good for you. A thought, maybe Mr. Pip will agree or disagree, but the smaller the timeframe, the less emphasis or strength a PRZ will have, or so I believe. A daily or 4h PRZ off a major pattern (Gartley, etc.) likely has a better chance of being true relative to a 1min PRZ at point D after an ABCD.

While Mr. Pip does not believe in 'noise' and I kind of agree, certain time frames have more vacillation than others. Similarly, there are always time frames with cleaner waves than others. I do not know...

I put the same weight on all PRZ no matter the timeframe. You have to know what you are trading and what is reasonable expectancy on the timeframe you are trading. If the pattern is high timeframe that's fine just know that there will be significantly more swings and corrections between entry and target. But that does not change the strength of the signal. Because you are already on a smaller timeframe will help you identify a better entry and a more precise SL placement. If you are at the computer always take the time to review price action in the PRZ wait for candle close look for your reversal signal whatever it is and make an informed decision based on the facts not the level or ratio or the pattern completion.

-

Posted by [fiovit](#)

then this should be valid

[Attachment 1121581](#)

We are discussing patterns and rules. I have given you the rules that I have tested and found to work best in my experience. You are free to look at things how you wish. This is not a Gartley pattern per the rules I use. Please do not post other rules as it will confuse some traders here.

I trade these patterns a specific way which allows you to know what you are trading and not it could be this pattern or that one.

-

Posted by [Starry](#)

Oh wait, i forgot to post the most important thing. my first winning trade with harmonics 😊 my next goal is net gain for a day. im on my way to be a harmonic ninja, milking gbpjpy for all its worth!

edit: oh yeah, and goal (my most important actually) is to consistently trade 1 hour a day and post results and analysis for that 1 hour 1 hour later. Lets see, 5 days a week, 4 weeks a month, 4 months (this semester) , 4 posts per day, = 320 posts. 20 pages long! beat that

Attachment 1121805

Good to see you are getting there Finally go my Ninja up and going again lost everything lots of work some of the colors are still not right but it will go I jumped in on your favorite pair PRZ take a look.



Update on trade.



Stop at breakeven



Trade progression

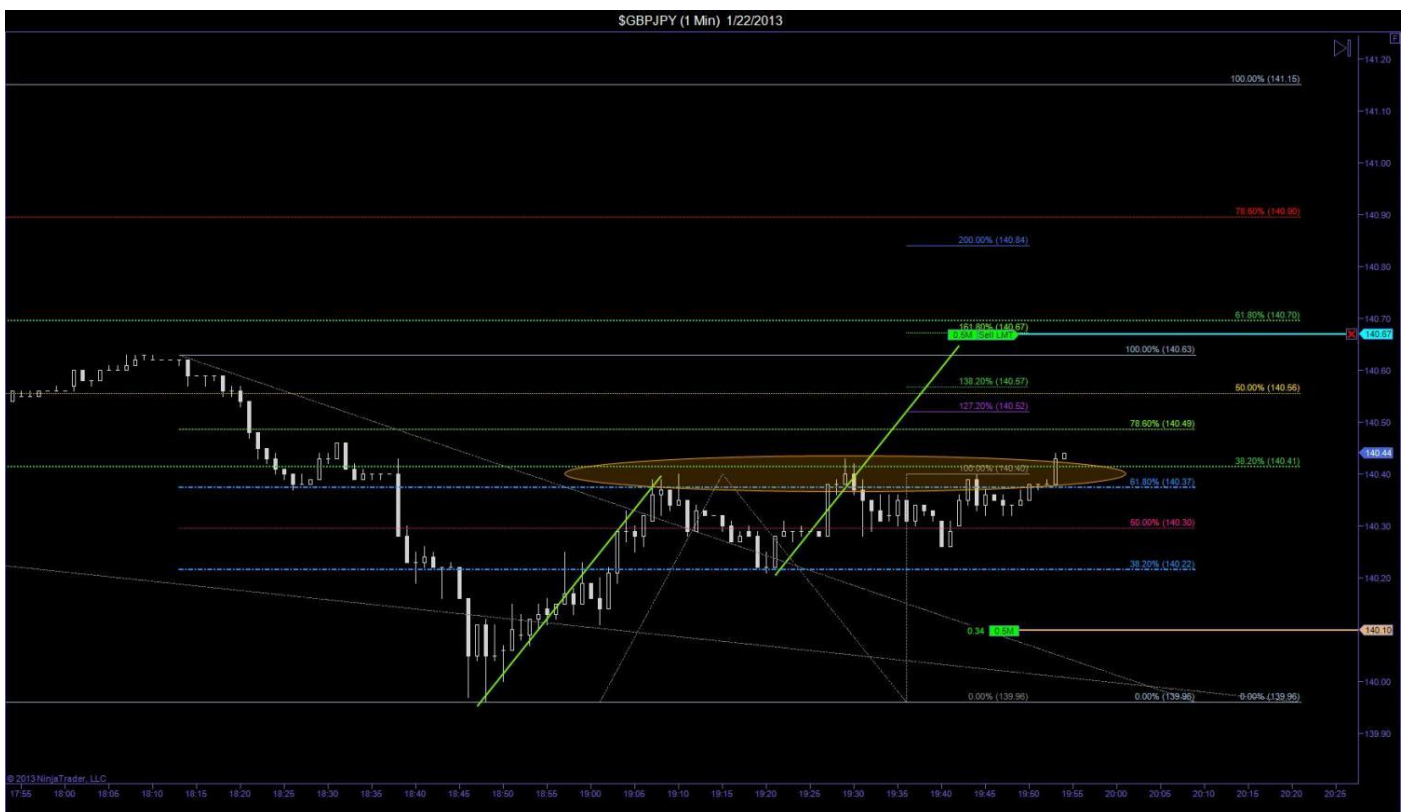


Posted by [starry](#)

So it was against orderflow so you updated stop to be soon and are taking profit at the 61.8 line instead of at the completion of the $ab = cd$.

I entered at D PRZ yes against order flow one ABCD and one $AB=CD$ target 61 of ABCD. At BE so no worries lets see whats whappens. Trade the rule be patient. On pairs like this that have more volatility you have yo give them more beathing room.

Price is having difficulty staying above the confluence of the 61of the current main swing and the 38% of the pattern fib. Order flow is trying to hold. Short term order flow is up and hopefully we get to target the bulls are in for a fight.



Well traders you just saw a live trade from me from entry to profit took 54 pips. I hope you were able to follow the trade from my posts.



Can you see how beautiful the PRZ works when properly identified you just saw two live ones. I do not trade during thins time and wantewd to take the trade for you to see how and where I enter in a PRZ. I would have taken the reversal as it's with order flow. But I'm done for tonight I'll just hang out and chat with you all.



Posted by ymmit

Howdy Mr Pip,

If you have time can you please have a look of my EURJPY 15 min chart to see if I have drawn it correctly?

Many thanks if you can

cheers

It's ugly but there is a potential Gartley trying to work it self out. The bulls are fighting it hard though.



Will it complete another ABCD????



-

Can you guys see how I was able to identify an ABCD converge with a smaller AB=CD into a PRZ that had lots of confluence. I identified the PRZ took the trade then followed a AB=CD into the profit target took the 54 pips then price immediately respecting the harmonics and ratios reversed where the PRZ was drawn and price hit the 38 so if traded it would be at BE and is trying to complete another ABCD. All on a 1M chart.

Was there any of what traders call noise evident here? This is why I do not believe in noise. It's price action relevant to the timeframe. We were able to follow price with extreme accuracy to and from PRZ identified by ratios and harmonics alone.

I wanted you to see this so you can practice, practice, practice you are closer then you think.

-

Posted by starry

definitely, i hope im close. ive analyzed my trades today and i do believe tomorrow will be better, i defined przs using non main or dominant swings, so ill need some practice to fix that.

Using the main and dominant swings will make all the difference in your tradig. Fix that and you results will turn for the better promise!

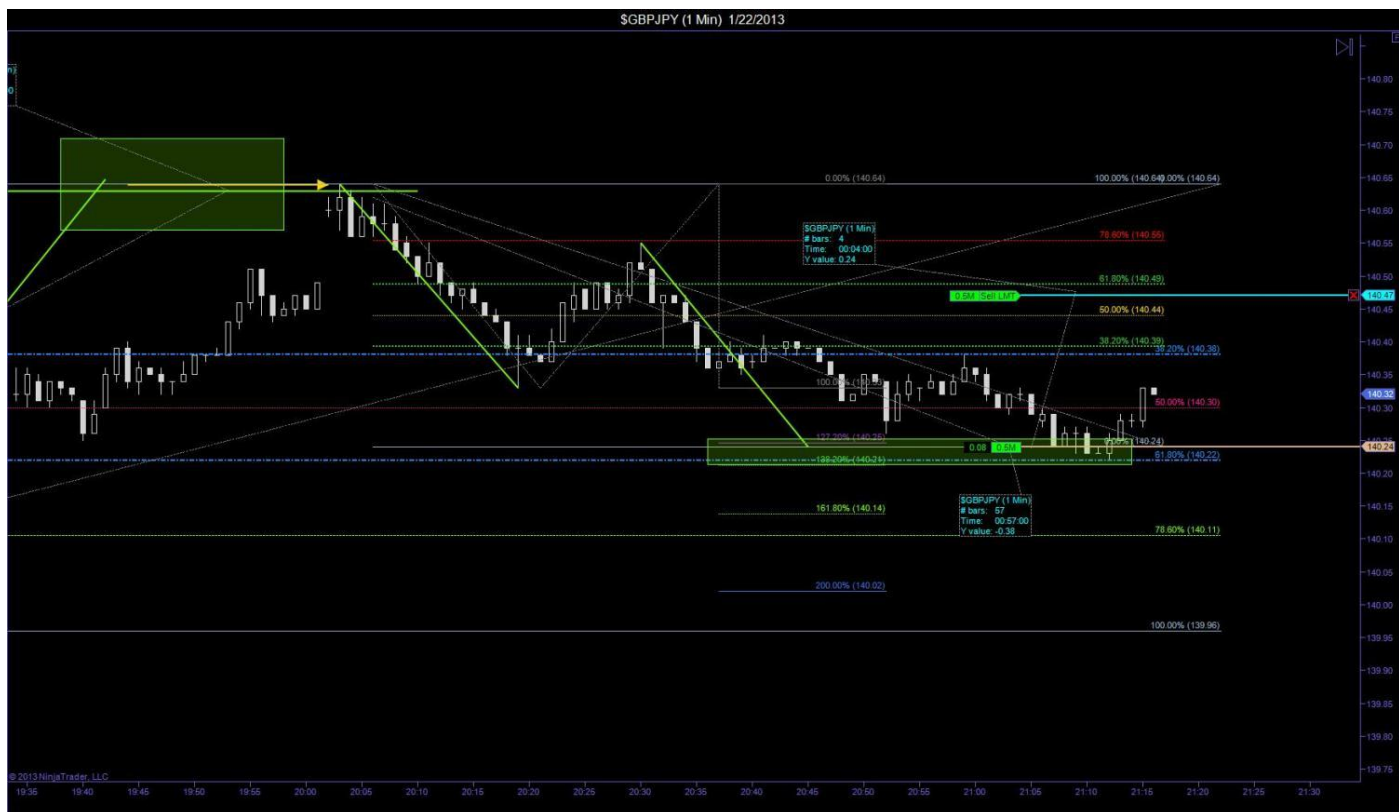
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Okay Traders price completed the ABCD pattern and that trade which I did not take would have given 38 pips. But I did take the PRZ as there was enough confluence for me to enter.

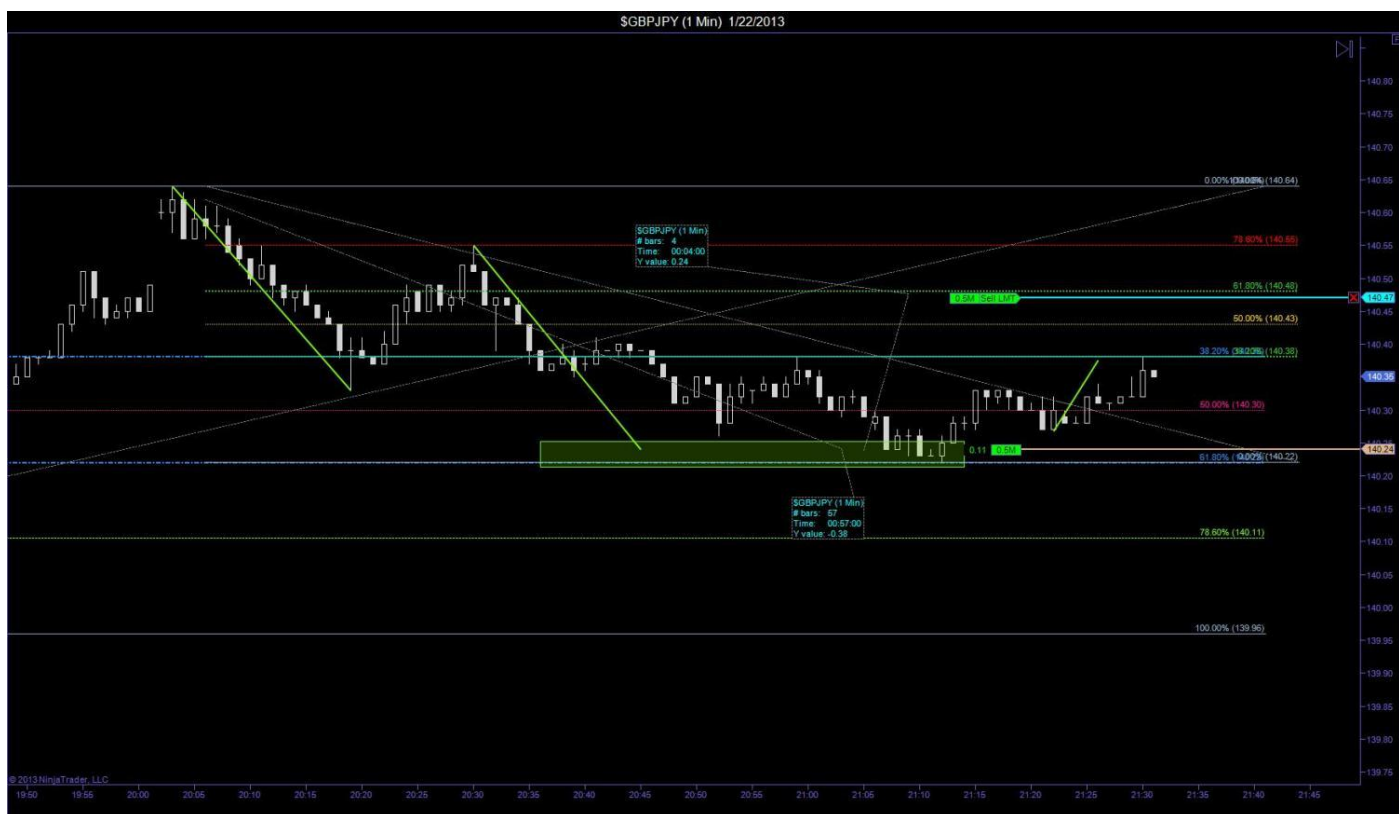


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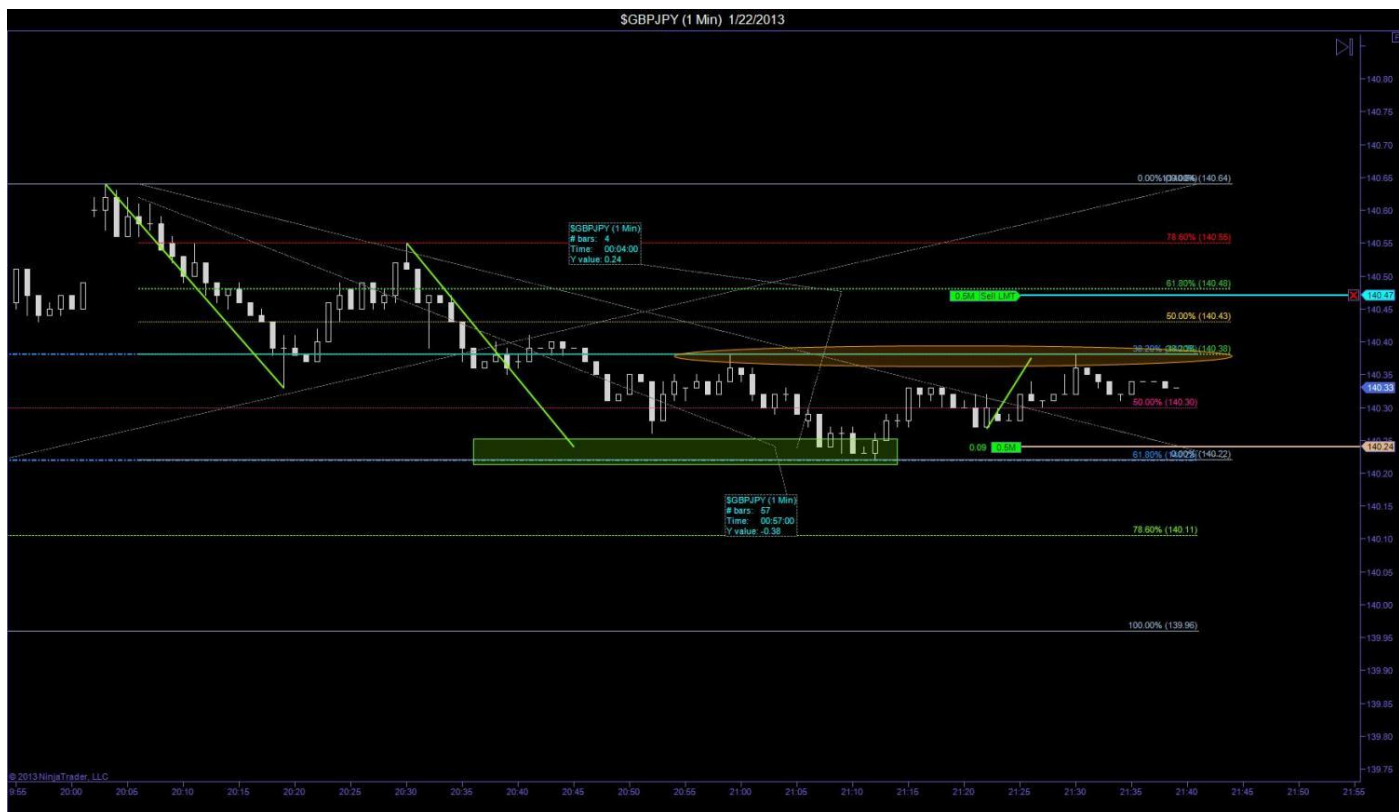
Here is an update waiting to a BE trade



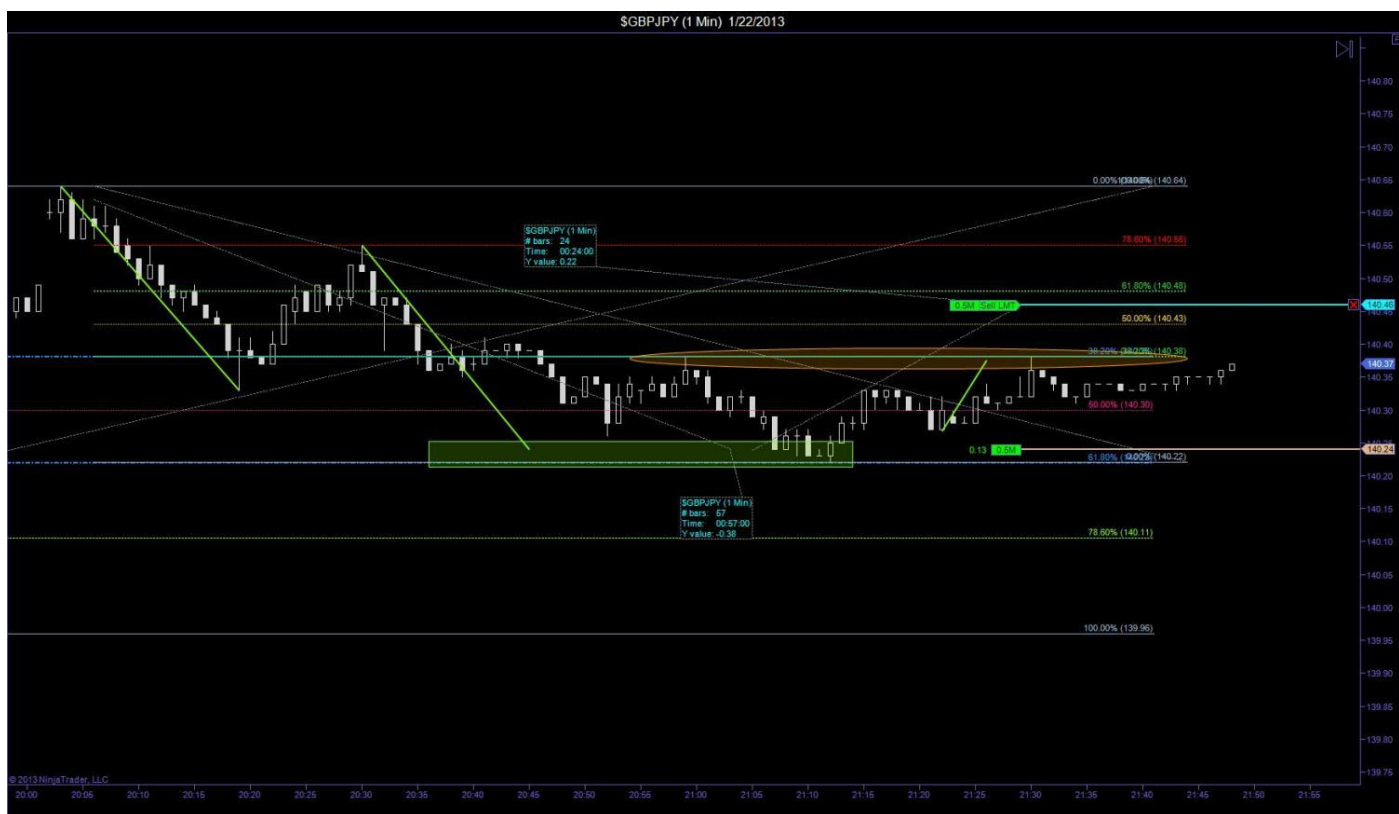
Stop at BE risk free trade. Now Patience and wait to see what happens.



This one might not work out we are completely against order flow and there is confluence at the breakeven point of two fib ratios providing resistance but we are at breakeven so the outcome does not matter. Now we look to see if the bulls are strong enough to carry me to TP.



Waiting is sometimes difficult but part of the business. 🤖



Getting there, just a bit more.



Question? How do you change the open trade to show \$\$\$ instead of points?

Open up the Chart Trader tab located above your chart. This should display the chart trader on the rightside of

box above the "Account tab" and this will give you your dollar value. Great job on those charts...Rocky.

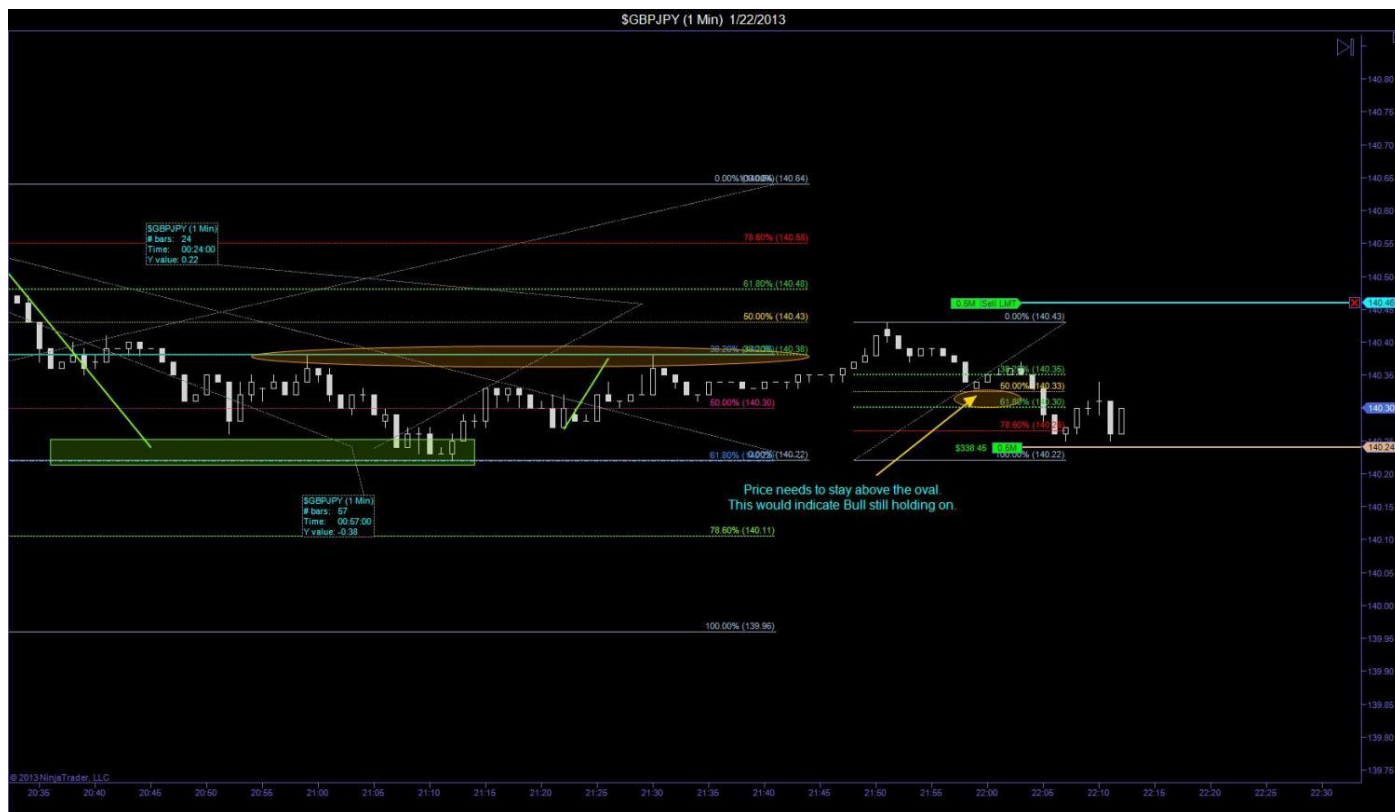
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APPENDIX 1: 15000015



Price needs to stay above the oval.
This would indicate Bull still holding on.

Bears are trying hard to take me out but my boys are fighting hard



Posted by [Starry](#)

I think it might be important to wait for the price to test all points of the PRZ, or at least stall near the bottom. that way, you know all the harmonic impulses that you used to define the PRZ have completed. Thats what it suggested in the harmonics trader book, anyways.

That is the suggestion but you will come to see that if identified properly and with the rules I use my PRZ is a lot smaller than Scott Carneys and price does not hang around there to long. So you have to be quick and identify your reversal signal whatever that may be.

Well didn't have to wait got taken out at BE well traders three trades were identified two were taken in realtime live. The first hit profit for 54 pips the second I didn't take and went to TP for 38 pips and the third just missed profit by a few pips found resistance and confluence of fib and took me out at break even.

I hope you enjoyed this live little session and got a feel for how I trade. I also hope this helps you build some confidence and see that is about following the rules. The pips will come.

Posted by [Damien1881](#)

Why the oval , Can you explain why you marked that specific area please?

The oval confirms bears gained control as price closes below the 78.6

Today's trades 57 Pips



Posted by [forextrader9](#)

Mr. Pip, great thread and thanks for your time and efforts. I read this thread and it reinforced my long held view that fibs are the right way to go. With confluence of ratios and patterns/harmonics, this is magical!

I had one question on entry. What is the best point to enter a trade. Is it as the swing forms (we never know if the swing will form till after the fact? or is it after the swing forms at the 61 (for an aggressive C trade) or 127 for a PRZ trade though entry might be very late in this case. For eg, if candle enters prz, do we place...

The PRZ is determined by a combination of different elements that converge in this area. This area is often the beginning of a new swing and the best place to enter the market. You want to see a price action confirmation that this will withstand the attack. So basically you are looking for price rejection of the level.

Posted by [starry](#)

Why did you not enter a buy at the bottom prz? what price action were you looking for (what sort of stalling?). A one bar stall like a hammer?

The confluence was weak and there was too much strength coming into the PRZ and I had already achieved my daily goal.

Posted by [forextrader9](#)

Thank you. So, in other words, you do not just enter a trade because the conditions for ABCD are met, you wait for price rejection at a PRZ before placing a trade. Only if price action confirms is that a PRZ, otherwise it is not?

Also, what do you mean by order flow? Is it just trend?

Yes order flow is the trend. What you want to see is price deceleration as its coming into a PRZ. You definitely do not want to see acceleration of price. You also want to see price behavior and get a price action confirmation before you enter. I only enter blindly when there is lots of confluence or when I'm not there particularly on the larger time frames when a pattern is going to complete and I might not be there to take the trade but I do not trade the higher timeframe anymore and don't take trades blindly anymore. Not because of performance but I'm a Funtime trader and I'm there to take trades manually

Posted by [starry](#)

What do you consider weak confluence vs strong?

Look at the first trade form last night that had strong confluence. Strong confluence has structure and other fibs coming together in the PRZ. Weak confluence is only having the convergence of a pattern completion and the fib extension and nothing else.

Posted by [ymmit](#)

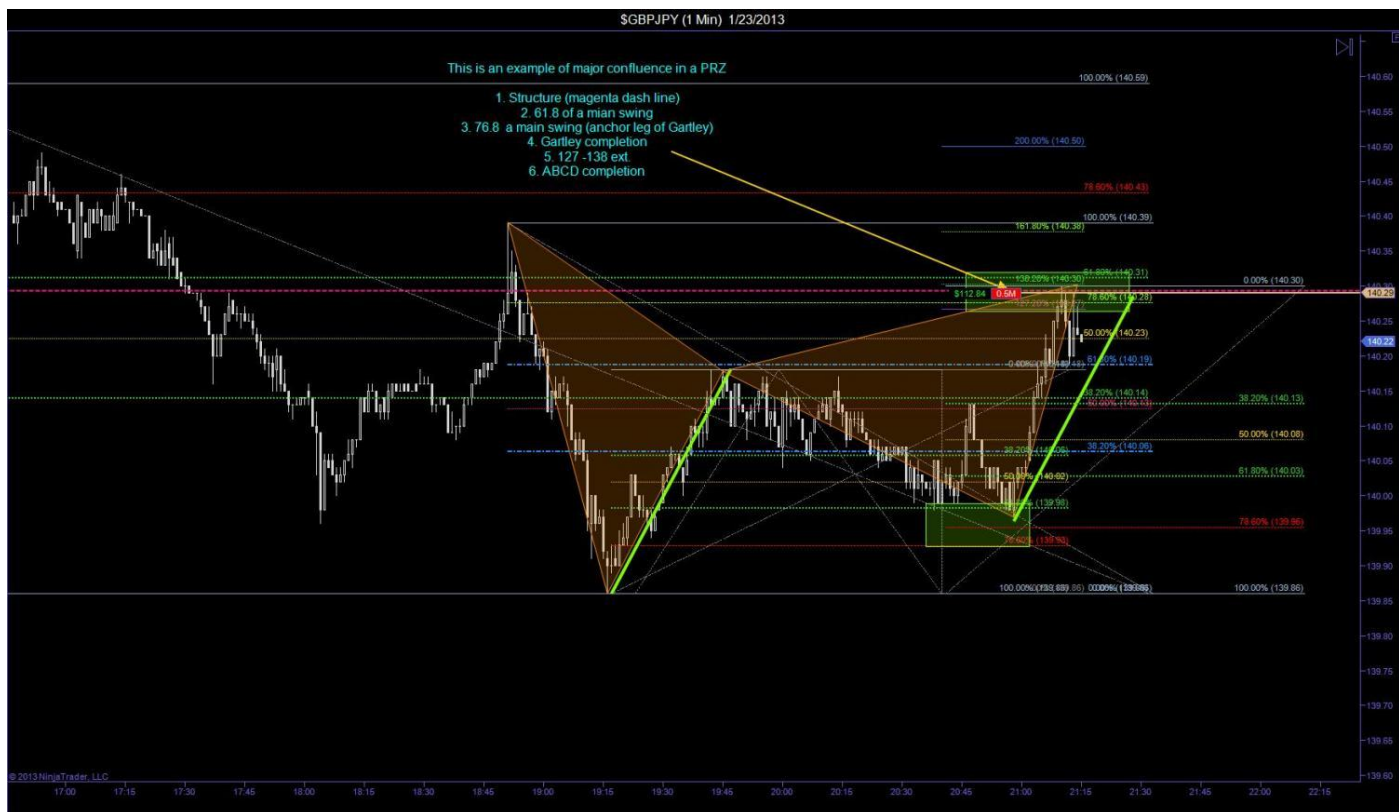
Hi Mr Pip and everyone,

I am in a different time zone to most people on this thread, so my day is just about to start and I also have a day job. My trading time is when London opens (at night here downunder). I really appreciate your comments and diagrams. The comments on confluence and Price Zone have been valuable. My area of trading weakness is how to enter the price resistance zone. In some diagrams there might be just one bar within 61.8 and an entry has been made, (Agressive C I believe), whilst other times a number of bars show a clear area...

Look at this major confluence example. This is the type of trade where entering on a limit order would not be a problem on this much confluence I would enter blindly.



Pattern Complete and entry



You see even major confluence fails and even I lose trades every now and then got stopped out for a 14 pip loss.



Here is my chart with the last trade of the day still live this one may go down in flames we will see.



Well last trade stopped out. So today I had 4 trades total 3 wins 1 loss for a total of 57 net pips.



Posted by [Georji](#)

Mr Pip, is it right to assume that every SWING could be a potential start for a new Pattern? and even if it is a part of an already in progress pattern?

Absolutely. This occurs often and they will often help confirm the others. It's when they are at odds that we need to use caution.

-

Posted by [M.A.C.Doug](#)

Bravo, this is reality trading. Calling trades in advance, and admitting to a loss is very rare making you exceptional among the teachers here.

Depending on your risk/reward, even the best set ups can have only a 50% or even less strike rate and that is the reality of trading

In this instance, though a losing trade for you, price still paused and retraced at exactly your predetermined confluence level. With a tighter stop, 2 or 3 times reward for your risk was possible. A scalper like me trading 1:1 it would have been the perfect level to...

You are very kind and thanks for the vouch. I never understood why traders hide the losses, they happen and it's part of the business. I do this for a living and like I said before I have nothing to prove to anyone. With me what you see is what you get. I have many profitable trades and some disasters and also some good ones that turn bad like this one in particular.

I do not do many live calls or live session because I don't want to boost or look like a show off it is more as a means of positive reinforcement to show how the rules work in real time. And it's always good to see the good, the bad and the ugly because it's the reality we work in.

Keep this in mind when you visit other threads that only post cherry pick results or backtesting only. I started this thread with 2 live calls to add validity to my system there is no better proof and they were both winners thank God or we probably would not be here learning from each other LOL.

-

Posted by [4xf](#)

gbpaud : gartley formation ??

It was heading in that direction but ended up being an ABCD at BE and in danger. The Gartley before was profitable 59 PIP. See How patterns evolve?



I use the smooth ratio MM system I posted it is based not on %. This is a much superior formula which gives you the best of both worlds, maximum protection when needed and excellent growth.

It was an aggressive C buy opportunity of a smaller ABCD with major confluence. Well done! Perhaps you didn't see this but hopefully now you will.



Here is the spreadsheet

Thanks Jason and Todd are good guys I know them. They have a good program. I have thought of maybe a commercial room. Because traders would more copy my trades then learn from them. I'm a very generous guy but it's not fair to the accounts I manage that pay me to trade thier account that I open up a live room for the world to copy my trades. I don't know would have to give it mucho thought.

Posted by [iqyu5an](#)

harmonic drives news or news drives harmonic ? heehhehehhe

Good one! News respects harmonics and ratios.

Posted by [starry](#)

GBPUSD gartley. But it looks like its stalling...

[Attachment 1123866](#)

Not a Gartley per my ROE



Posted by [starry](#)

Mr pip,

how do you know which harmonic length to use? if i use smaller harmonic lengths, it just blows right through them. i also missed that aggressive c buy cause i 'thought' it was going to go down. sigh... im guessing you took that

[Attachment 1123913](#)

I look for the confluence of the harmonics not just one. The smaller ones help guide you to the bigger ones. Trade what you see and try to forget what you think it's going to do. I only have one trade today for 33 waiting for this PRZ.



Posted by starry

Hey, im waiting for that too. Do you ever find that you keep deleting potential PRZs? or, once a prz is defined, do you always keep it up on your chart?

Once it has done it's duty I delete it and sometimes it gets redrawn depending on what price does. I like clean charts so I tend to delete lots of things.

Posted by starry

Also, how do you scale your ninja charts? The price is at the very top of my screen, while yours has some space at the top.

Go to the price scale on the far right, with the mouse over the scale you click the mouse and contract the bars. If you do not want to contract and just want to scroll the chart with the mouse over the price scale press control on your key board and you can scroll up or down while it is pressed. sounds complicated but it's not.

Well there are some considerations you have take into account. This pair has a lot of volatility and tight stops will work against you. you have to place it where you know you are wrong. with this pair I would recommend that if your PRZ includes the 161 ext. that you place your stop a couple of pips past the 200 ext if your PRZ includes the 138 and not past that you place it on the other side of the 161 by a couple of pips. Do some testing and see how it works out prior to any risk of captiol.



Posted by [starry](#)

mr pip,

For example, would you delete this prz now since we have a leg that extends past it?

[Attachment 1124032](#)

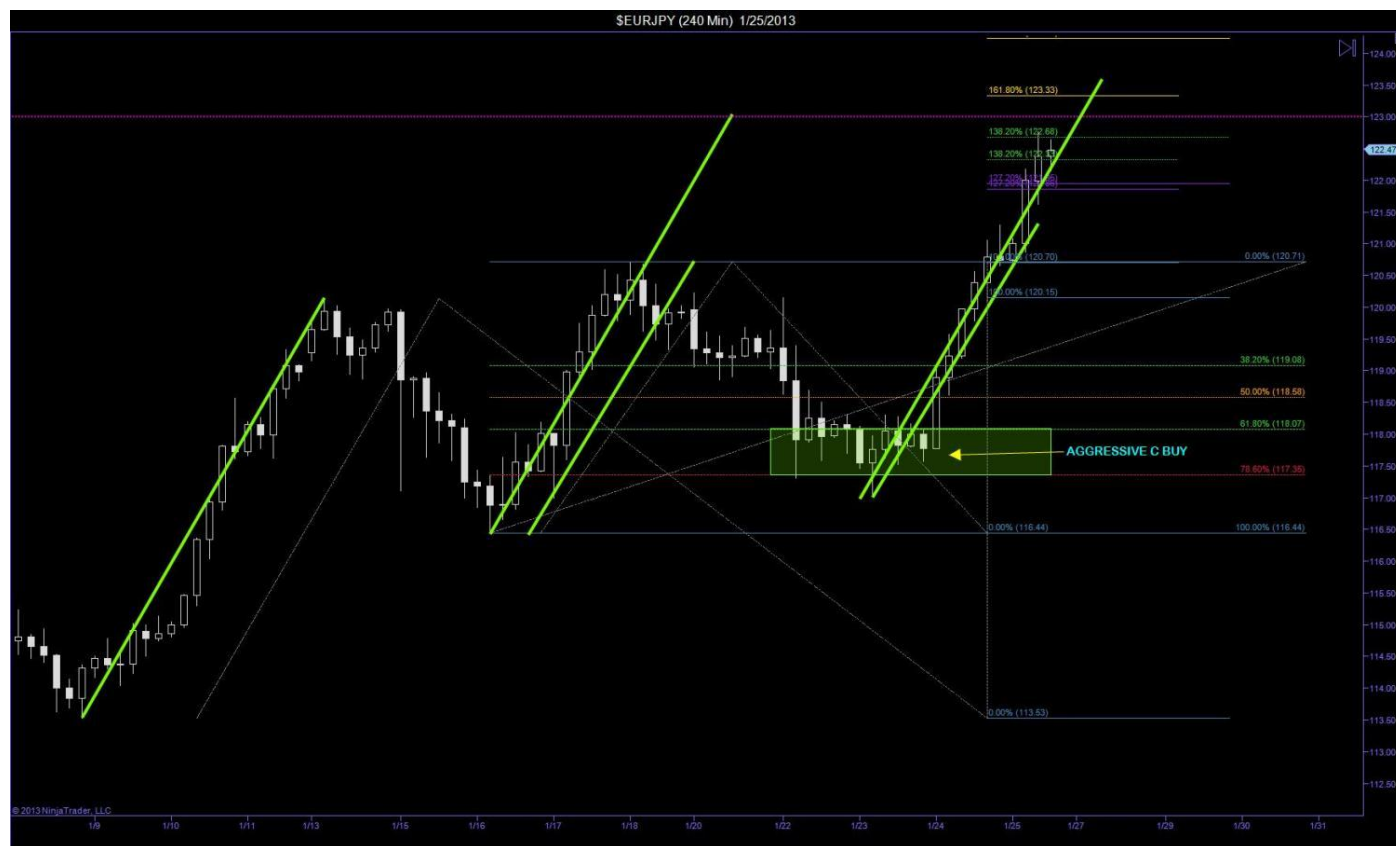
Which one you have a few on there? Look at mine came within 2 pips of my entry and reversed. It happens 😬



Posted by [forextrader9](#)

Pardon my ignorance but how is this an aggressive C buy? The retrace stopped before 61 and didn't touch it. Shouldn't it at least retrace till 61 for a C?

Take a look a my chart



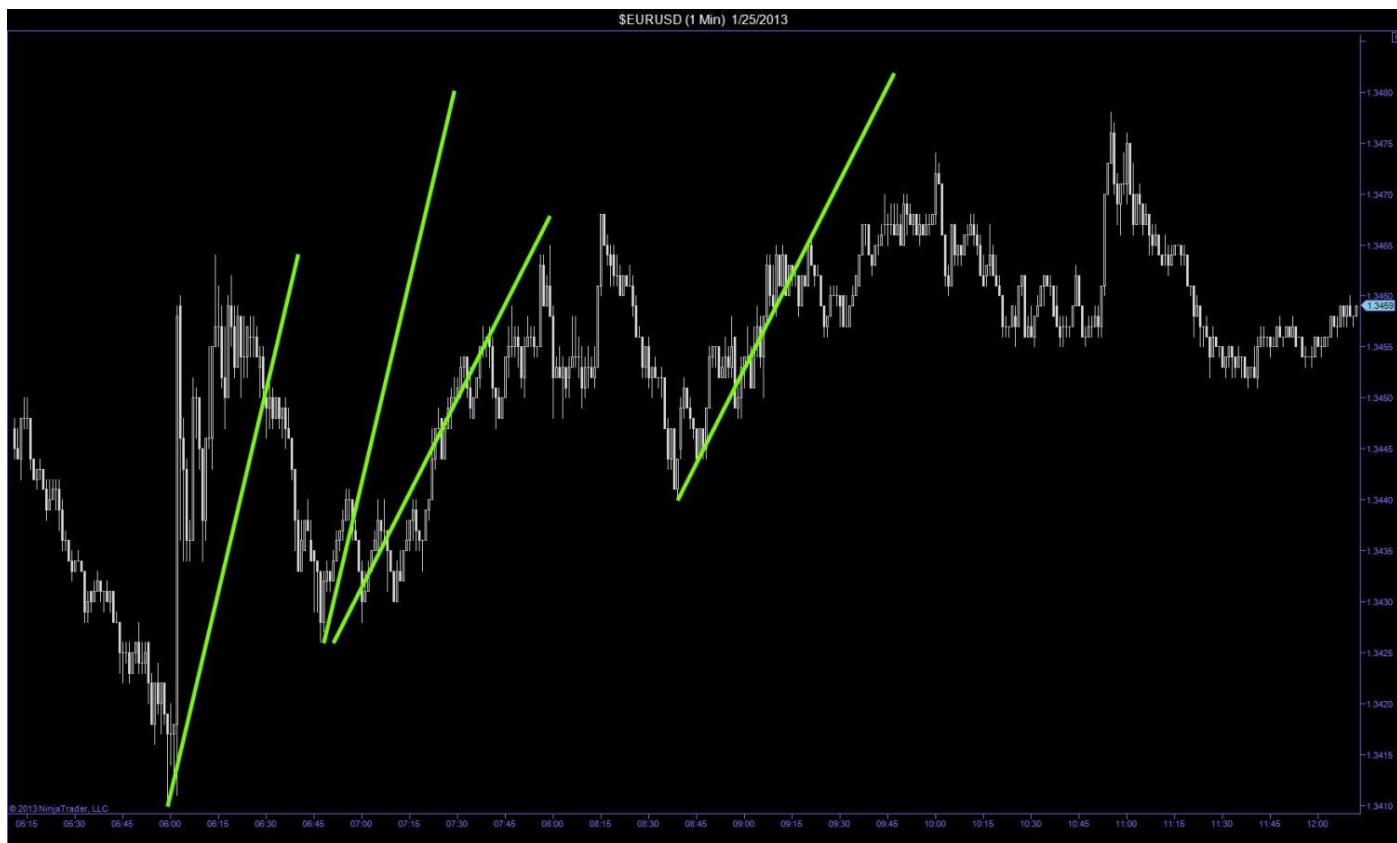
Posted by [starry](#)

What i mean is, would you have displaced the leg as shown in the picture to move the prz higher? Since the leg poked outside of your prz?

edit: unless you only use impulse legs that have a retracement to the 61% line.

[Attachment 1124064](#)

These are the swings I considered and the ext of those.



Posted by [forextrader9](#)

ok got you, thanks. The smaller swing touched 76 but didn't close below it. Thanks.
It is not suppose to close below the 78.6 this invalidates everything. Why do you use 76?

Posted by [Bary](#)

IMHO the swings your drawing on are to small to consider. 1st = 14 pips, 2nd = 11, 3rd = 10.
It makes your TP and SL to small. My personnel requirement is at least 15 pips.
Also the 1st two closed below 78 so not valid.

I was trading the same chart and never even considered those swings.

Nice Job Barry, in addition to this you didn't take a step back to see if you missed anything. Take the time to find the main and dominant swing. It will simplify everything.



Posted by [IberoForex](#)

Hey guys, I know you are much more forward than I! Therefore, I needed your view!

EUR_USD 1 Day 🤔

Thanks!

I take this opportunity of thanking Mr. Pip, because I have done several trades a day! Thing would not happen if not for what I have learned here!



Well there are some things going on here which will be interesting to see how price responds to them.

These are the facts of the case. We have a main swing and a dominant swing. Price at present appears and I use this term very carefully because the market is closed and there is very little pullback by the bears on the daily candle but, there is an area of significant confluence around 1.3485 -91.

This confluence is a 127ext of the main swing a 161 ext of the dominant swing you also have structure from back in March 2012 and a big round number 1.3500. You also have some smaller swing harmonics converging in this area which is not that big of a deal but certainly adds some extra confirmation.

My only concern at the moment besides the open gap which will likely test this again is that the main swing only corrected just past the 38 which is a very strong bullish indication and an AB=CD of this puts price past this PRZ. My chart is attached.



Posted by [Damien1881](#)

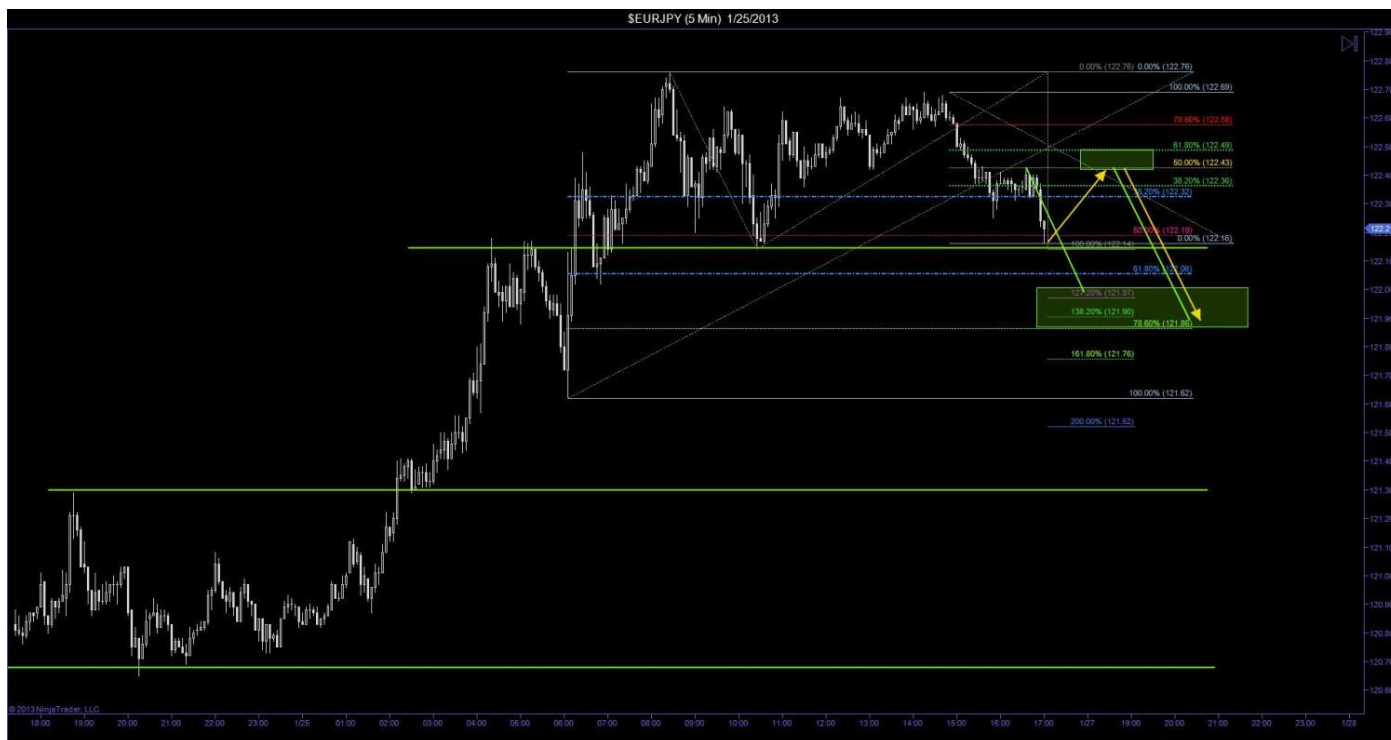
Mr Pip,

This AB=CD only just touches the 38.2, would you see this as a valid set up, Is it a trade you would consider, does the retracement level indicate more bearish strength and less likely to reverse, I like the confluence, the only thing I don't see is structure and question that if price action shows an entry at this PRZ where to put my stop?

[Attachment 1124255](#)

This is one of options that could play out but again we will see what price does. None of us know what price will do next remember it's about price reaction to the identified areas not the ratios and harmonics.

Think of it as harmonics and ratios as a map and price being a car. The map identifies the roads but the car still has to navigate and make the turns.



Posted by 4xf

Hi Mr Pip, could you please explain how to draw the first PRZ ?

My apologies it's not a real strong PRZ but an area price can have a reaction to its a small area of potential resistance from some structure and the 50-61 fib of the swing. If price found support where it is a present the. It could find resistance in this area we are discussing.

Posted by Bary

Question for Mr Pip and all.

E/U M1

When you enter a aggressive C of a smaller swing and the SL is right inside the golden zone(61.8-78.6) of a larger swing.

What do you do?

- 1) enter another position
- 2) move 1st SL beyond A of larger swing.
- 3) leave stop in place and take loss.

Good question Barry, this will happen from time to time and can be a bit tricky but at the same time it presents an great opportunity to capitalize on both patterns. I'm of the opinion that the larger patterns trump the smaller ones but this of course depends on the timeframe you trade. What I mean is there could be patterns within pattern that may be tradable and why miss the opportunity. Here you have that example. The larger ABCD may be more evident on a larger timeframe and the smaller one may not be visible on the larger. They both compliment each other put post some challenges as far as entry and stop considerations.

You would have to address this in your trade plan and what action you would take. I can tell you that if you want to take advantage of both you could scale into both trades. Open half of a position at the at the first aggressive C and another half at the bigger aggressive C. This is difficult to accomplish most of the time because in real time you have no idea that this will happen unless you have some structure that could lend you some potential clues that price might follow this potential path. You could also determine that this will happen and want to have a choice to trade this and therefore pre plan this into you position sizing to have the funds avail if the setup occurs.

Posted by starry

Mr pip,

have you foundn that when price stalls right before a prz, it will usually pierce the PRZ (as if its building up momentum to break the prz?).

Sometimes the longer price hangs out in a PRZ the weaker it becomes.

If you fail to plan, you plan to fail.

Posted by [JayTrader](#)

Hi all

Been a Lurker to this thread. I am a position trader and want to add Harmonics to my tool box. I will not entertain negative ?'s . Mr Pip this is the picture I see Long term for eur usd . I have allowed variances because of the TF please let me know if I am on the Right Track.

Thank You For Your Time

Hello, I do see a turn to the down side some where in the area on my chart. I do not see a butterfly as point B had a correction past the 88.6 which is too deep. Order flow is down and this deep correction is confirming bearish strength. Perhaps we will see an AB=CD price could reverse right where it is at the is enough confluence to hold price even stop price.



Posted by [starry](#)

Im not sure if i defined this prz correctly. Should i have used one of the leftmost dots for the main swing?

[Attachment 1124718](#)

Don't worry about all that mess way back there looks like orderflow is changing and the bears are about to take over. Keep it simple! Main and dominant swing to current price.



Posted by [Bary](#)

The fib extension you're using in this chart is incorrect. Unless I'm reading your chart wrong, You're using a low that is prior to the high you're using as your XA leg. In other words B cannot come before A.

Please label your ABCD"S.

It seems to me that which low you use for X will change what pattern you're looking at as it changes the retracement of the B leg, which will change where your PRZ will be.

The fib extension should be of the AB leg.

I think you know all that already.

So is your question "which X to use?" There's to many X choices...

Excellent point this is why I don't trade market opens or Sundays at all. Lack of volume and gap traders throw things off but fun to watch.

Posted by [iqyu5an](#)

there is butterfly...start at m30 tf. look a whole not partially mr. pip

there is bearish butterfly, shark and deep crab.

just try to find it ...

Analysis paralysis, Why complicate a simple process he is a position trader (long term) why business does he have on a 30Min chart if he is looking at the weekly. This is like trading the 4h and analyzing the 1 min. Shark don't trade it cypher is similar and more profitable and a deep crab what the hell is that? a regular crab that failed?

Traders there is not need to learn and trade 30 different patterns and go through the whole spectrum of timeframes to make a bias and trading decision. I respect your opinion but my mind and my trading have simplified over the years, I have learned that I don't need to do all that work anymore. I use to do it all but found that simple made me more money.

just learn what happened in prz bro.. u will find it .. there is price character in PRZ. and no straight line as always...

trading is like a song : do re mi fa sol la si do ...

why trade the noise if we could trade the trend ? 😊

1

Hi Mr. Pip,

1). ENTRY: Short - at E ?? TRENDLINE (50% FIB).(EXIT/CLOSED position at 38.20% FIB)

2). **TRENDLINE BREACH** - long or short? i wanted short - lucky i did nto take the trade.

It looks like you are labeling swing highs and lows A, B, C, D, E this is not the way to identify patterns or harmonics. What you are doing is basically trading S/R which is also a safe and profitable way to trade if you have some price action experience. Look at my entry off of using your pair and timeframe from a harmonic point of view.



1

no problem... 😊

Hello traders debates will occur from time to time and differences of opinions as well. I consider our friend Iqyu5an a good and passionate trader and his opinion is always welcomed. He has his way of looking at the market and I have mine they both work well and there is always value in different points of view.

We are not here to step on each other's toes or cause confusion. 😊

Posted by [starry](#)

I sincerely hope it will hit my prc go price! 2.5 hours and no trade...

[Attachment 1125112](#)

You are looking too hard. Trades for the day study each one 4 trades 94 pips. Easy rules based no care for news, higher timeframes or any other junk.

Could have had more but the rules are good enough.



Posted by [liemo](#)

Giving GBP/CHF a crack at going long:

Reason:

Daily - ABCD pattern

- PA reached 1.272 fib extension of AB

30 Min - ABCD pattern

- PA reached 1.272 fib extension of AB

- Price reached 78.6 fib of previous swing

SL : 1.4552

Entry : 1.4579

Target : 1.4850 (618 fib retracement of Daily AD minus 20 pips)

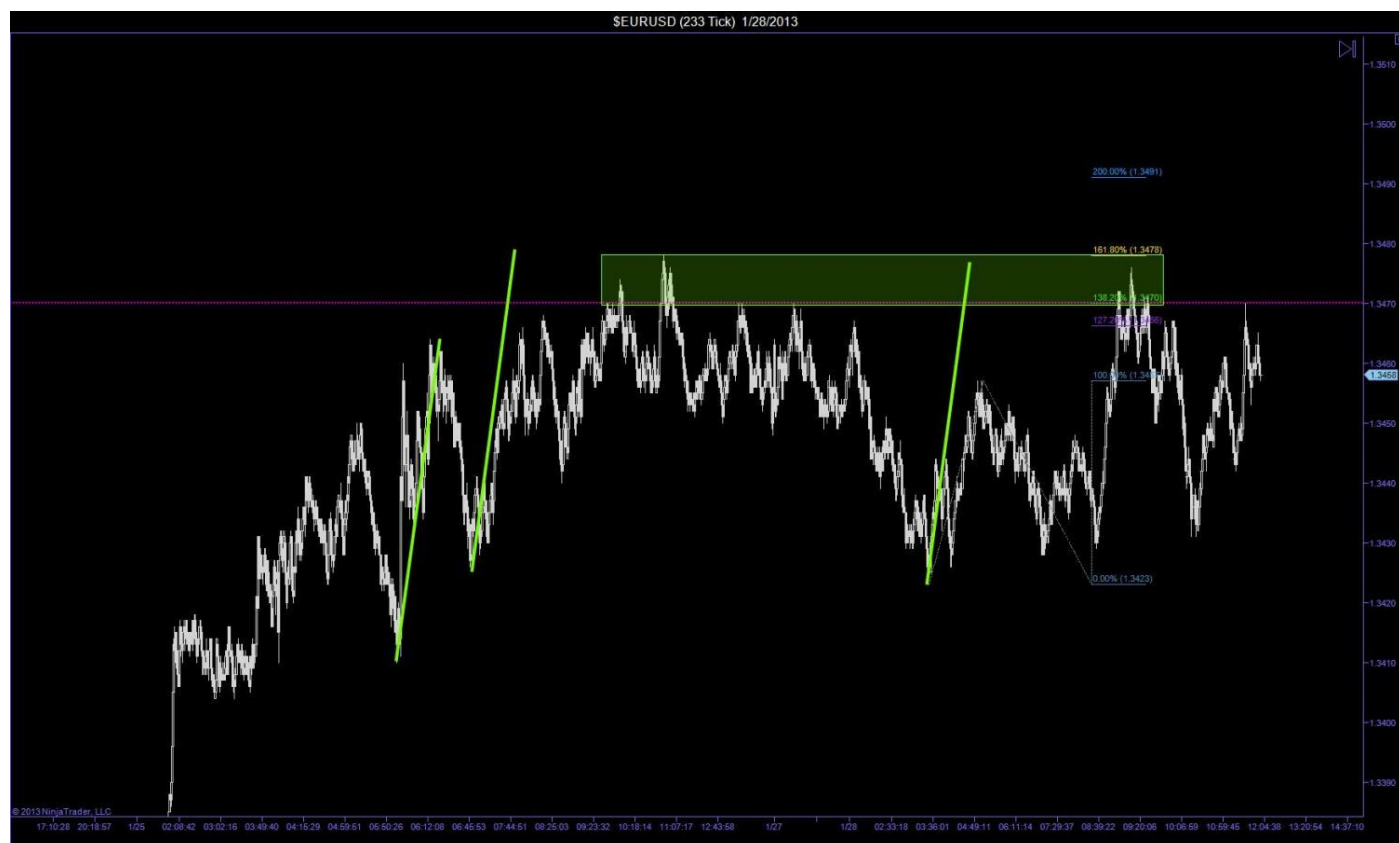
Risk : 27 pips

R:R : 1:10

Am I too ambitious?

Considering to take partial profits @ completion of first ABCD pattern on 30 min...

Anything below the 127 is not something I'm willin to trade because you are trading into potential support of the swing high which is right there. Find the confluence it is there and lots of structure.



-

[Posted by starry](#)

would you have traded that without the pin bar confirmation? my chart didnt have a pin bar, it just went down.
Yes the pin bar is one candle one candle does not signal a reversal. Price action is not about one candle. Multiple candles speak louder than one.

-

[Posted by itinerant](#)

Bearish Gartley on EURUSD 1M retraced to just shy of the 61.8 mark, tying up nicely with the conclusion of the ABCD pattern.

For that reason, I considered that the exit for the trade.

Would others have carried on?

Well done, remember that even fibs are a zone a tight one but still a zone. Price will not always hit it to the pip. You have to give a tolerance on the 1M 1 or 2 pip should be valid. And confluence even better.

-

[Posted by dibo90](#)

Hi everyone!

First of all I want to thank Mr. Pip for opening this thread. I really appreciate your kindness to share your methodology. I'm also an harmonic trader (novice) and your posts were/are very useful. I have almost finished reading the entire thread and I have a few questions about your smooth MM that I'm not sure I've understand, since english is not my first language:

1) *What do you think about this kind of Money Management:*

A) *Decide how much you're willing to loss for each Pattern and this value must be **constant**,...*

I don't think this is the best way to handle the stop placement. This method will often place your stop in an unfavorable place (within structure) increasing risk. You have to taylor your position size to the approximate stop distance and not the other way around. Maybe I misunderstood.

-

[Posted by BroncoCap](#)

Dibo,

One suggestion. All my testing and as already stated in this thread (I will have to get the post), taking partial profits usually reduces total profit. It is akin to trading scared. When you do, you end up taking full losses and if the ultimate target is reached, it is with partial positions. I once thought partial profits were a great idea until I realized it just meant I was trading scared.

I would suggest moving to B/E when appropriate (38.2%), then let it run. Your R:R will be much improved and your win rate will not suffer...

Excellent 🧐

-

Hello Traders, I came accross this and wanted to share it with you.

(E-BOOK TRAITS)

-

[Posted by LuisPrinc](#)

Mr. Pip I have to ask you about this abcd pattern on eu yen that you provide in a chart below. Why it is a valid and you took trade on this ? I have two things that I dont see it in our rules below:

- 1. The C point didnt touch the 61.8% retracement of AB ?*
- 2. The target profit 2 by the rules is at 61.8% of AB LEG, not CD like you showed in your chart ?*

I hope you understood what I meant.

Cheers

Luis

That is correct this is not an ABCD it is an AB=CB. I took the trade based on ratios and harmonics indicating a possible PRZ since it is not an ABCD and I am against order flow I trade the CD to the 61.8 correction. Does this answer your question? this is a way to identify possible market tops and bottoms.

-

Posted by [starry](#)

I was wondering when you could know a correction is over, because i didn't trade some aggressive Cs because i didn't know if it was over. I was reading the book 'high probability trading strategies' by Rober C Miner, and i came across the ABC 3 wave correction pattern. The breakage of the B point signals a high probability continuation, thought it could still correct more to produce a more complex correction pattern.

Attachment [1125393](#)

Look to confluence and smaller harmonics it will be easier and non subjective.



-

Posted by [iqyu5an](#)

ONE

what is subjective and non subjective bro ?

A uses 1M time frame to trade and draw fib,pattern etc and make profit from that

B uses 1H time frame to trade and draw fib, pattern etc and make profit from that

which one u think that non subjective one ?

confluence : they will have different "confluence"

which the better one.....confluence in 1M or 1H ?

TWO

harmonics have several point to focus : A,B,C,D.

what the meaning of A, B , C and D in reality ? skip about the ratio for a while... coz once we talk about...

Boy I don't know where to start I'm not even sure I understand your point if any. I do believe you have knowledge to offer but you have to understand what I'm trying to accomplish here. I would not think of telling you how you should trade your style because it's your style and it works for you. I do not appreciate your constant underminding of my efforts and skill set. I have proven beyond any doubt that my simplified method works and is extremely efficient for you to come in here and confuse people with your complex spin and comments that undermine me. That is rude and unacceptable.

As I have told you I know what you are talking about been there done that but I have evolved and have optimized ratios and harmonics into a simple rules based system that is fantastic for the newbies and veterans alike.

Please contribute in a positive and meaningful way.

There absolutley is right and wrong in harmonics and when you find that rhythm more often then not 1+1 does =2. There is no need to bounce around between timeframe for opportunities. Decide what type of trader you are or want to be and master the timeframe that is appropriate to that style of trading. That will also tell you how many pairs you need to look at. Look at me I trade one pair EURUSD on a 233T I don't care about news or any higher timeframes and have 5-8 trades a day and regularly take 70+ pips per day in a 5 hour window. The beautiful thing is that it works on any pair and timeframe.

-

Posted by [whatever007](#)

AUD/JPY possible Gartley with pinbar in PRZ, is that right?

[Attachment 1125443](#)

Yes and targets were hit for a possible 47 pips. Good eye!



-

[quote=liemo;6400885]Thanks for your response Mr. Pip. I'm a bit confused with how you are drawing these swings. I have a number of questions on what you have taught I hope you are able to answer when you have time:

1) When you are drawing harmonic swing on a chart, to validate this swing does the prior swing need to be at least a 38.2% retracement i.e the main swing. From the attached chart, we can see that point A did not retracement 38.2% of the previous swing, therefore should the swing start at X? (or am I getting my harmonic swings and main swings...

No it does not the prior swing is not looked at in that way, you can use it to project harmonic expectation or find confluence. That is correct it did not reach the 38.2 which means there is no X where you marked it and your A could also be an X which was later confirmed as A.

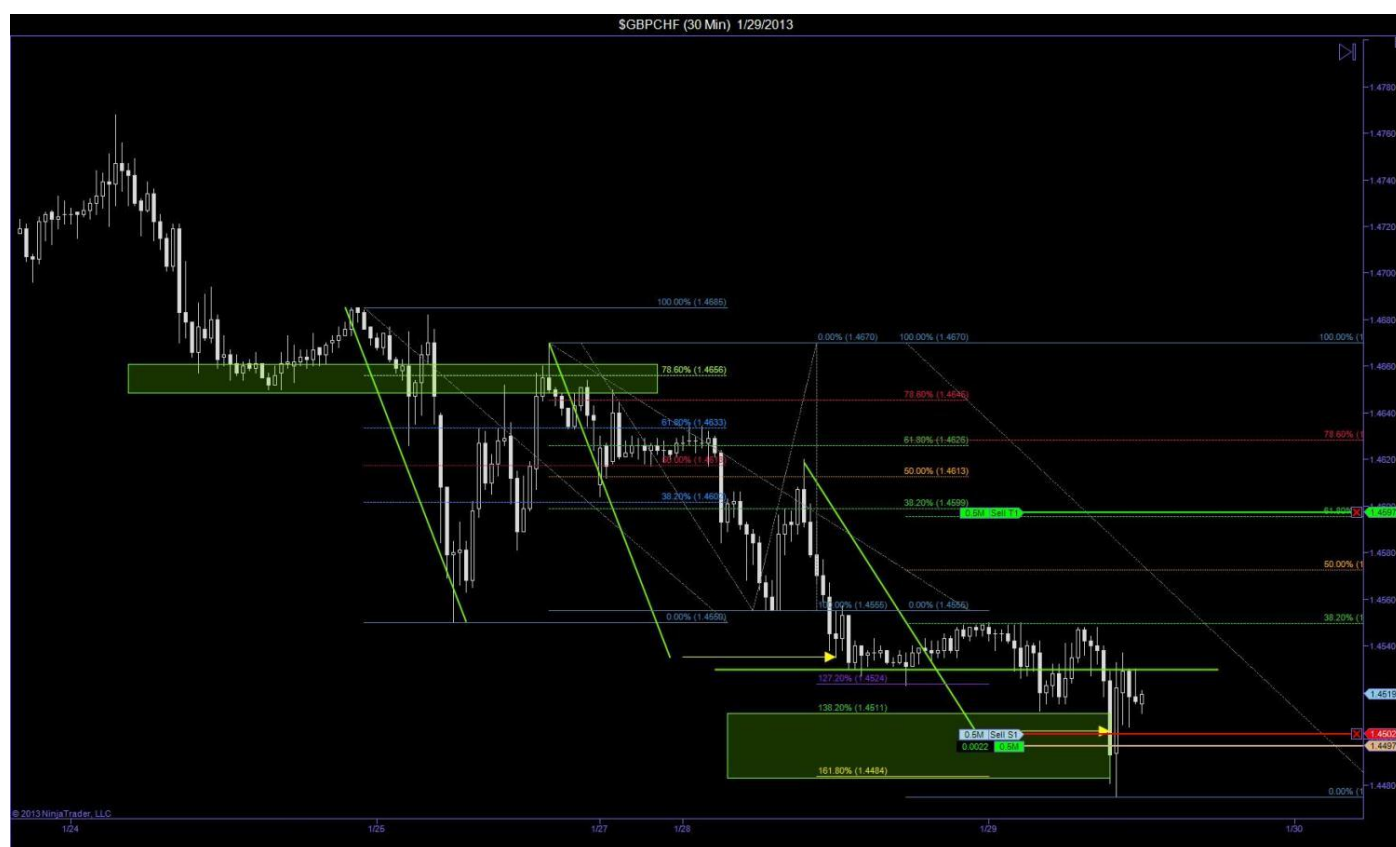
2) I dont understand why you did not draw a fib from B-A to determine the 1.27 ext for a possible ABCD long trade. Im seeing PA piercing through 78.6 (at point C) retracement and closed below this level which should validate this pattern. Instead, you have started the swing from where I drew the CD leg.

Because this is the main swing and price pierced but did not close above the 78.6 so valid aggressive C sell opportunity. You must include the tails, this is price action price did hit that area.

3) In your very first video, you've used AB=CD retracement levels to determine your PRZ to be 138.2-161.8. If you already have established this zone, I'm not seeing how you have incorporated the importance of this zone into your trading plan for the Gartley and ABCD pattern as you are using 127.2 level for your entry level instead of your entry level being in this zone. Am I missing the point or jumping the gun?

Well not all patterns are picture perfect and that is why I use the best area of confluence. where the ABCD in the Gartley terminates depends greatly on where B and C end up completing which sometimes puts the ABCD completion point outside of the patterns PRZ.

I took the trade and moved my stop tp breakeven pluse 5 as price is having major issues breaking resistance. Here is a chart.



Posted by [Georji](#)

Mr Pip, how many currency pairs do you analyse for any trading opportunity at any giving time?,, i find it can get over whelming viewing different pairs at different charts and time frames,, worried that while you're analysing one

chart that you might be missing on a good entry on another etc,, etc,,
i spent most of my time today analysing Eur/Jpy on 15,,5,, and 1 mn time frames comparing them and how ratios/ harmonies and patterns develops on all (for example while an ABCD could be in progress on the 15mn a gartley could be developping on the...

I only analyze the ones you all ask me to I don't trade other pairs unless you all point something out and it falls within my rules. Since I trade the smaller timeframes this only give me one pair to trade comfortably EU. Until you get the hang of this focus concentrate on only a few pairs if you are a higher timeframe trader and one pair if you are lower timeframe. In time you will be able to spot higher timeframe patterns on the lower timeframes as well and would have to jump around.

-

Posted by [Ed777](#)

Mr Pip

Appreciate any feedback you may have. My 55 tick on EurUSD is pretty close to your 233 tick. I took an AB=CD and felt confident about this trade because of structure at that level. I was very suprised when I stopped out on this trade and price action really took off. Can you give any insight as to something I did not see or is this just one of trades that happen and you just accept and move on.

Thanks,

Ed

Don't feel bad I took it too and lost no big deal. it was a Gartley that failed took the Crab short and I'm up @ 1.3488 up close to 20 pips

-

Posted by [dibo90](#)

Mr. Pip, where the Stop Loss is supposed to be set in a Gartley pattern? It is right to set it a bit beyond the level 161.8 of the AB move, like in a normal ABCD? Or 10 pips (depending on TF) over the X level?
10 pips above X

-

Posted by [cuchufrito](#)

Well, it was against the trend/ order flow, that´s for sure..a look at the daily chart would give you that Information in a blink.

I personally try to avoid those...there´s enough Patterns available that are in harmony with the majour trend... Ileave the other ones for the pros...

The daily will not help much on a 55 tick chart. You will see many small trends that are very profitable that are against the daily. These are the corrections you see on the daily which are trends on the smaller timetrames.

-

Posted by [Jhfx](#)

Thank you Mr.pips for all of your dedication toward this thread.

i took an aggressive C trade for NZDUSD 1 HR (I only trade 1 hr)

but got sl hit. is it the right way of trading? or did I measure the wrong main trend?
(square is where i entered, and blue line is where SL was.)

Thank you once again.

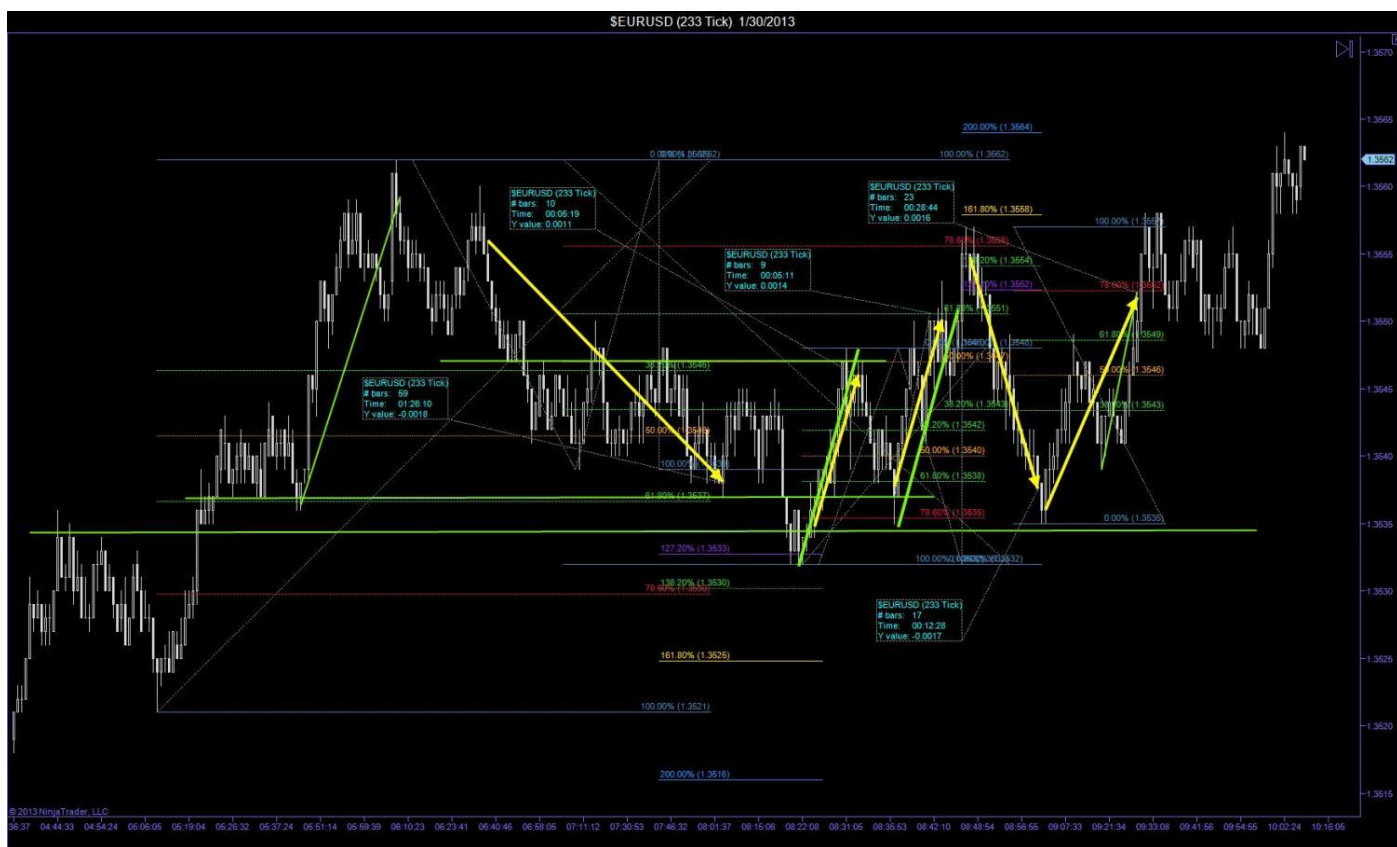
Jhfx

Hello, Structure was your adversary, when it needs to be your ally. The ratios and the zone was correct but remember what I always say "Take a step back and see if you missed anything". You traded right into a demand zone. I hear that you trade the 1H only but it doesn't hurt to drop down to a lower timeframe once price is approaching a level you want to trade to zero in on the best entry but also get some detailed clues on if you should pass on the entry or confirm a better one. My chart explains. The first chart is the 1H and what is visible and the second is a 5M and what is visible that was not on the 1H. Enjoy the charts study them and post your questions.



Below is what my trading timeframe look like on a 15M chart and below is the 233T and my trades 5 for 76 pips.

I'm done for the day will work on the Price action now for you all. This is why I love the smaller timeframes.



Posted by [jhfxf](#)

thank you for the answer.

this is a hard system for me...i start my demo with \$100 and got 140 and back to 75, and back to 100... 70~140
 this is my range of an account...funnnny
 better work harder to break that 140! and not break 70...

thank you!

Put the \$\$\$\$ in the back of your mind or your emotions will kill you. Focus on the rules and things will turn around. You are right this system takes some getting use to and this business is hard work sometime I think we love punishment. Hang in there and study, execute, study your trade good or bad and study some more and execute.

-

[b]

Hope you don't mind some more questions. I'm not disagreeing with what you are saying but am in the hope to clarify the rules as I'm here to learn to one day (fingers crossed) be able to replicate your trading style on my own. The part I'm trying to get my head around is determining the main swing as my understanding is that there must be a 38% retracement (dominant swing) prior to the swing being established. In your previous post (#727), you mention that the must be a 38% retracement be a new swing (main swing) can be create? Is this...

The swing markey X on the chart barely corrected after that we had a clear swing high and low with a deep correction which establishes the main and dominant swing. There is no expectation we have you listen to price and measure swings that price respects.

I agree with you that where I had my point C is a valid aggressive C sell opportunity. My question is since after point C has formed we are moving towards completing an ABCD buy pattern, why didn't you draw your fib from B to A and trade on the 127.2 extension of the BA leg? Instead you drew a fib from the previous swing low to C and used this swing to determine your extensions and prz?

There was a complex corrective process not completing the original ABCD and newer swings suggested another AB=CD and that correction was below the 50% pivot confirming bearish strength and a very high probability that price would extend past your orgininal ABCD.

How are you determining the prz on your Gartley pattern setup? Is it determined from fib extensions 138-161.8 of AB?

[/quote]Look at the video I posted on the Gartley pattern. That is how I determin the PRZ.

-

[Posted by j619](#)

Mr pip.

can you please do a video talking about your 5 trades for today, the 5 shown at the previous page. thank you

ps. what broker do you use? 😊

I use [FXCM](#) I will make one tomorrow of the session I want to do the price action I've been telling you all about just trying to catch up right now.

-

[quote=itinerant;6405459]Great post - very useful for those of us trying to learn.

I have a couple of questions:

1. What made you choose the low at circa 05:06:05 for your main swing rather than the previous low just visible on your chart at 04:36:37? Or indeed the low around 03:44 (not visible on your chart)

This was an AB=CD which retested the high and held that was my first trade. The other lose are too far away and price action was trapped within this one.

2. What triggered your 4th trade (short at approx 78.6%)

It was a supply zone from prior swing high and confluence 138, 78 and 161 and C sell

-

Posted by starry

got stopped out at breakeven. i guess since it was against orderflow i should've taken profit at 61.8 of cd leg.
Now you are thinking like a trader.

-

Okay Traders here is the PA video you all havbe been waiting for. I had to rush at the end due to time but at least you can see how I handle price action.

Give me your thoughts, comments, and questions. I will answer them all.

http://www.youtube.com/watch?feature=player_detailpage&v=9nMXyhMqj-A

-

Posted by Georji

Mr Pip, could you please explain what is the meaning of Supply/Demand in relation to charts reading. And probably only me but i am struggling reading some of the charts because of congested ratio lines which is making it hard to figure out which line to which swing?

thank you

Supply and demand is another way to say support and resistance. I hear you but if I remove lines and post the chart I will have a hundred question as to why I took that trade and why did you get out there. I know it's challenging to see things and if I wasn't posting the chart half of those lines would be gone. I only keep the ones I need. I kept them there now for you all to see.

-

I will try to catch up on the thread today but have a very busy day head of me I just wanted to post my fib setting and colors for ninja since it has been asked. PLease find them attached. Also if you want to learn how to use ninja they have lots of tutorials on their main site and there is lots on you tube as well. talk to you soon.

-

Hello Trades just popping in to say hello and that I've been real busy with life business and taxes. I hope to get back in here real soon. It is impossible for me to catch up and also see that some have started to make changes. That is really discouraging you were on a good and healthy path. this takes time to develop the skill set. I guess this is the reason many traders never master this business and so many fail. They never take the time to master the technique. The basic skills I have taken the time to show you will take where you all want to go but you have to put in the effort and master them. I'll pop in and out and hopefully next week will have more time to get things back on track if there is still intrest is the basic system.

Here are today's trades.

The first chart shows what I was looking at which got me in the first trade and the second chart is a zoomed in view of my three trades for the day.

-

Posted by [starry](#)

i guess i meant determining which prz to trade is subjective. each prz is defined by confluence, and how do you determine which confluence is most important (i mean its only a potential reversal)?i know you said price action, and by utilizing large local swings and by using orderflow, but i havent yet developed that skill yet so it seems rather subjective to me. if theres a prz 10 pips above the current one, and your sl is 10 pips, then do you enter that trade, is the prz above more important? maybe put the sl beyond that prz? are there really...

Great then develop the skill don't add different process making the whole thin more complicated then it needs to be. As for which PRZ to trade when you have two in close proximity. Market structure and price action will guide you. Develop that skill as well I made a price action video and said to take 30 min of the day to run through the same exercise as I did in that video. I bet you that hardly anyone here has taken the time to work on this very critical skill. This skill alone will filter out the weaker PRZ. Everyone was asking about price action and yet no one is using this extremely important skill set.

How important do you feel it is to have a solid understanding as to where price is going? Do you think this will help you in determining is a PRZ is weak or strong? Let me answer that question for all, absolutely.

Take the time to learn the skill run the drill. Do them over and over and over they will soon be automatic. There are no shortcuts. We have to put in the work or we will not progress. Nothing needs to be changed.

-

Posted by [itinerant](#)

On that example I can't really comment - I didn't trade it because with my current level of knowledge I don't see much there.

But then I am perhaps too cautious.

For example, I monitor 3 currency pairs, and in the last 2 days I've only entered 8 trades... 5 were winners and 3 were BE. That was about 90 pips, which doesn't rival Mr. Pip who makes that in 1 day on 1 currency pair, or Foxybunny's 100 pip trade she posted.

But I know I need to learn to walk before I can run, and I'm still crawling.

*So I guess where I'm going with this is...
Very good!*

-

Posted by [itinerant](#)

From my limited understanding:

*While certain harmonic numbers traditionally carry more weight than others (for example, the primary ratios of 0.618 and 1.618), and there is a cumulative effect of 'confluence', ultimately all the PRZ represents is an area where the price **may** reverse **if** the PA suggests so.*

Essentially, you monitor PRZ's as areas of interest. When the price gets to one you start looking for PA clues that the price will reverse.

Just my take on things



-

Posted by [Damien1881](#)

Hi Starry, I looked at the area you marked and if I refer back to Mr Pips video on price action, he says that most people look at the wicks of the candle - as you have stated there was a lot of rejection leading into the box, His advise was to look more at the body of the candle when it closes to see if the bulls or bears have control, in taking this approach , the first bear candle takes all the power away from the previous candles push up, the following candle although small still closes lower also. If I had of been watching this PRZ and price...

Excellent!

-

Hello Traders,

Just popping in to say hello and to show you why I do not care about news. As you can see from the chart attached the market and news respected ratios, structure, and maybe harmonics just not quite there yet. I did not take those trades I do not trade the higher timeframes but wanted to point them out. Enjoy the chart.



Hello Traders,

Just dropping in to say hello again and to post today's trades and chart three trades for 65 pips and I did not take the last two beauties no greed. 🤪



Posted by [itinerant](#)

Hello Mr. Pip,

Congratulations on those trades.

Do I understand correctly that the yellow arrows are your actual trades?

If so, I see your first trade started around about where my second trade did... except I chickened out at the 1.35000 line whereas you seemed to trade right through it.

What significance do you place to round numbers?

It depends on the structure and behavior of price at the round number. Price did not care for it on the way up, like it wasn't even there. So if price did not respect it neither do I. Also I was following my rules.

-

quote=iceman777;6447120]Mr. Pip, a few questions for you when you get a chance..I asked some of these previously but in all the posts many traders questions can get lost in the pile..

1st: What do your losing days look like? I know traders love to see profitable days because it gives them confidence but I want to know the risks and to see how you manage days that are less than optimal.

Please do not focus on if I have losing days or not, Manage risk by trading with order flow. Set a daily goal say 20 or 30 pips once hit quit. Don't over trade.

2nd: Do you have rules of engagement for patterns other than ABCD and Gartley? I wasn't sure if there is anything specific that you look for differently or if they are treated the same as the Gartley just with different ratios/harmonics.

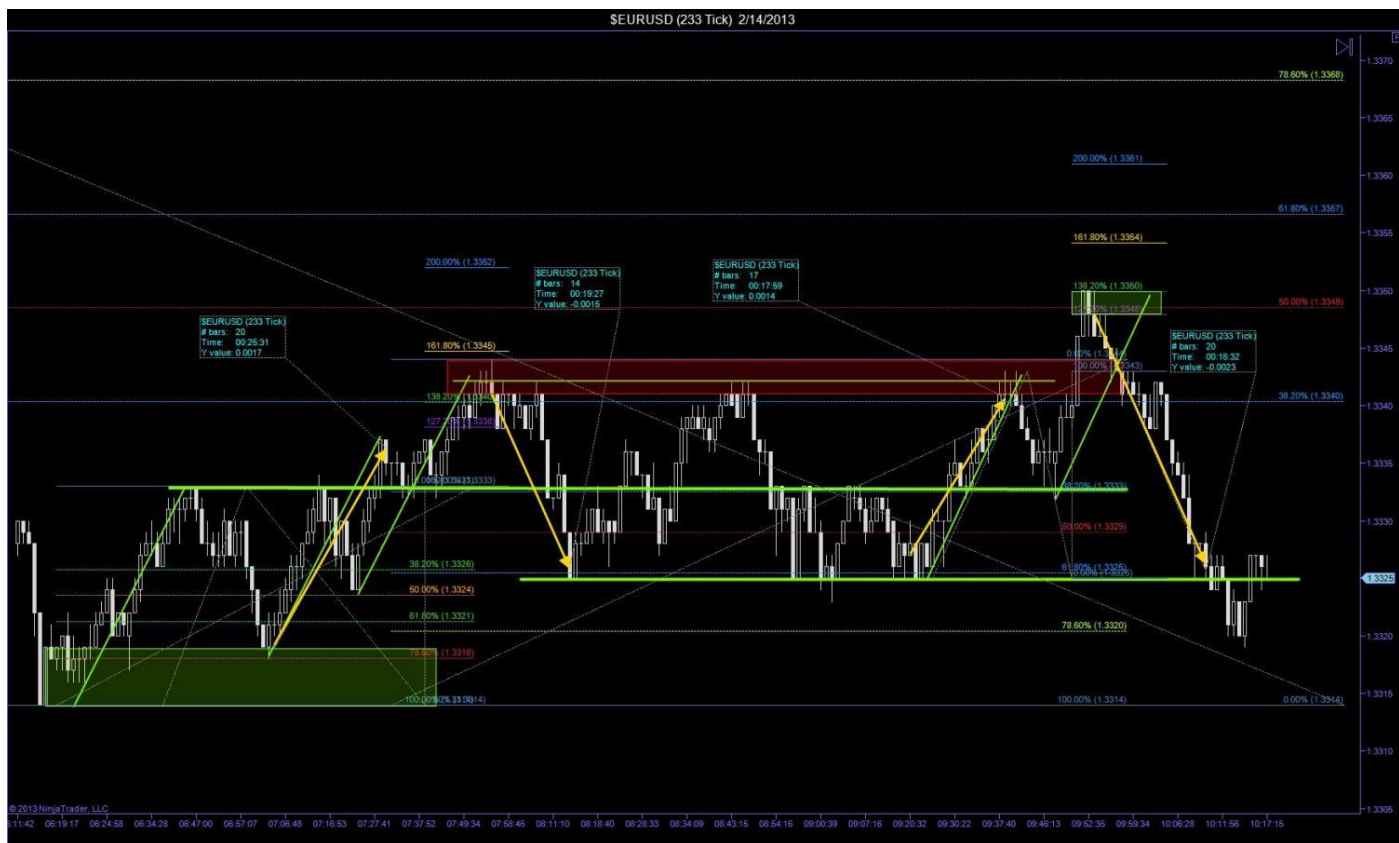
I have rules for every pattern but we are not ready yet to add another pattern.

3rd: I had posted a chart with a question previously about price action in the PRZ. You had an example (which I posted below for reference) where your Long entry was after a break of a short term high made between two lows in the PRZ. Are there any specific PA patterns that you have for entry in the PRZ that goes with your rules or anything that you could cover specifically?

I look at price action I do not use candle stick patterns.

-

My chart of today's trades



Posted by starry

how many rules do you have! must have 7 + , or different tp methods 😊

Rules are just rules price action will guide you to stay in the trade or take profit early. Learn to listen and watch the visual clues of price action.

Today's trades so far took a loss overall positive and in a short now

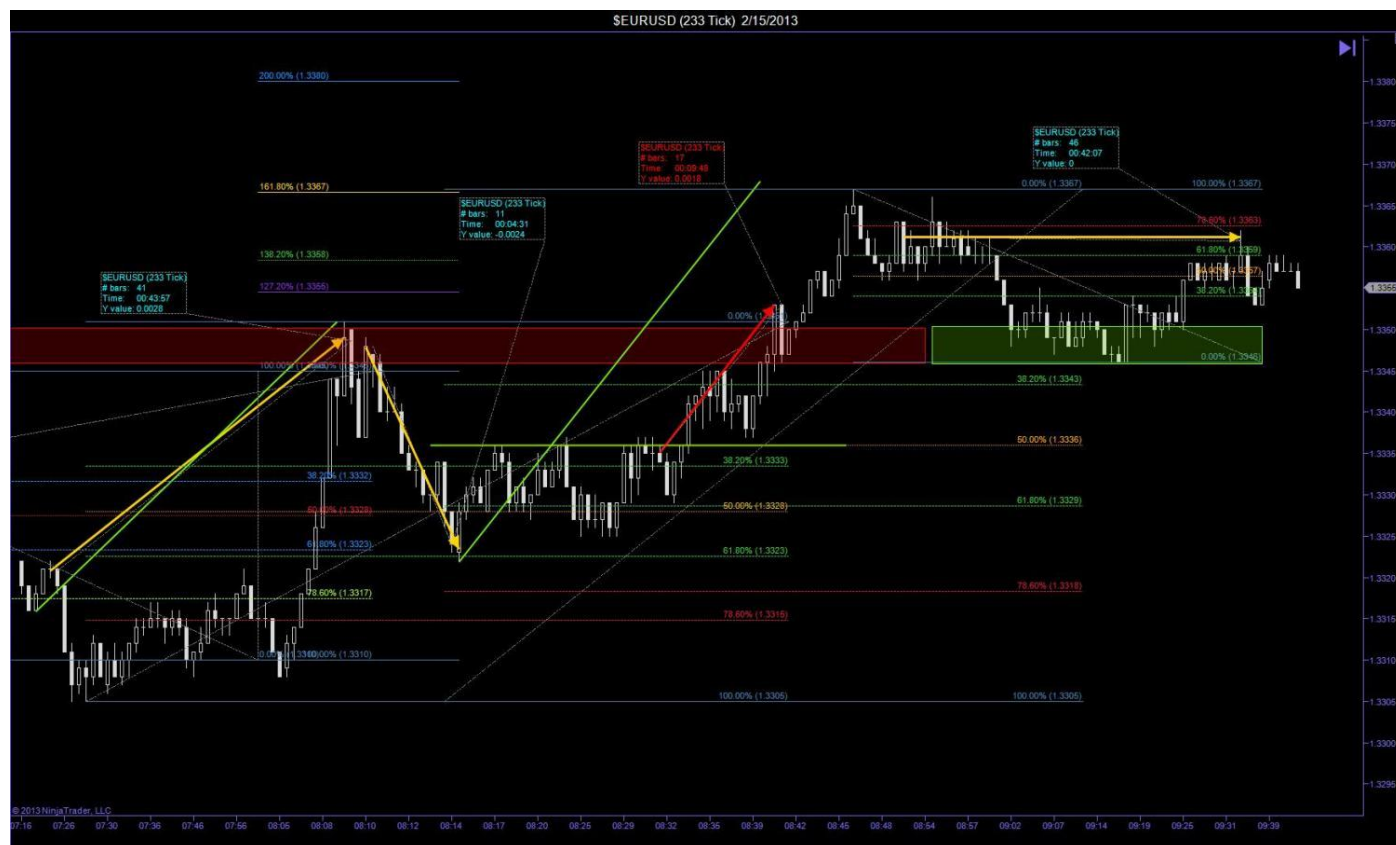


-

You may be wondering what stop was move early? Previous supply zone is acting as demand now. The Bears are unable to push price lower at the moment.

-

Well I'm done for the day overall ended up with 34 pips decent day



-

Posted by [starry](#)

mr pip,

can you please post your chart settings, the ones with the color for the candles, candle wicks, and for the background

poster by [itinerant](#)

This might get you started, until Mr. Pip turns up

Chart Properties

Color for axis = Medium Purple
Plot horizontal grid lines = false
Plot vertical grid lines = false
Color for background = Black

Data Series

Bar width = 2
Candle Outline Color = White
Color for down bars = White
Color for up bars = Black
Wick Color = White
Price Marker Color = Cyan



Posted by [liemo](#)

Mr Pip. I have a PA question on the CHY/JPY 233 tick chart. Price has closed within the 618-786 fib retracement of previous swing high and low. If we wait for price action to move up past the 50% mark of the red candle entering the aggressive C buy zone then the entry will fall outside your rules but if we don't then there wont be confirmation of strength for entry. How would you approach this trade? ...Thanks

Price action isn't only about the candles it's also about structure. This market is screaming bearish strength and bullish weakness. We need to pay attention to these visual clues so that we don't trade into weakness. This is how setups are filtered. Nothing about this market says you should be looking for any long positions. I had to use a 5 min chart as it was the closest thing I could find to your data.



-

Hello Traders,

Just stopping in to say hello and to also say that I have been very busy with work life and family. I left you all to develop and practice the skills I have taken the time to show you. To my disappointment I have found a mess. How can you sharpen your skills if you keep making changes and trying things that are not a part of anything. I almost have lost the will to keep posting as it has been very discouraging to see what this thread is becoming. The rules were simple clean charts no indicators. Price action and harmonics. Consistency is the secret here guys. If you want to learn you have to keep on working at it and stop adding things that are not a part of this and do not work. In my absence I expected sharper skills from practice and this has not been the case.

So where do we go from here? This is exactly why some really good threads with valuable content perish. I will be monitoring in the days to come and it is up to you to clean our house up and get back to basics. This is our house and it is our responsibility to keep it clean and organized. Get to work give me a reason to continue our journey.

Respectfully,

Mr. PIP

-

[Posted by Mr. Scott](#)

Mr. Pip,

I understand your frustration, although what you are attempting to do here is very admirable. And IMO, if you teach it, it improves your own skills.

I can understand that it could take a lot of time to monitor and correct people, but perhaps in the interest of teaching, I would suggest just posting one example per day to help people learn and keep them on track.

Yes, people need to be disciplined and practice, but from what I have seen here, people are willing to put in the time and effort, they are just new.

It would be a shame...

You have a valid point Scott, I will do that. But to the veterans here please help keep things on track. I don't want anyone to stop posting however the decision has to be made by the trader whether they want to learn this or not for the most part I do see the willingness to learn and the effort by most. But repeating these skills over and over again is what will make you learn them not bouncing around adding concepts and removing others without validation or reason other than not putting in the required effort and screen time to learn it. Enough said.

-

[Posted by BroncoCap](#)

My Parting Farewell--

I believe it is time for me to leave this thread. I no longer trade in Mr. Pip's style and do not wish to derail his teachings.

But in closing, I wish to add that it is upon you to succeed. You cannot mimic Mr. Pip's exact trades, you cannot buy profitable systems. Practice, practice, practice coupled with proper money management is key. I challenge any of you to make the same style trade 100 times without changing anything, without questioning anything. Find a pattern, trade it 100 times. My guess is 90% cannot...

I will surely be sorry to see you go. I don't feel you need to do that and I've always said to make the patterns your own. I would really like for you to stay and contribute. I've enjoyed all your posts and great advice. I hope you stay.

-

[Posted by 4xf](#)

Hello,

From the method of Mr Pips, can you please inform us about the percentage of losing trades, the percentage of

trade at break-even, and the percentage of trades that reaches the 61.8% target?

Thank you in advance,

Work on improving your results as mine are mine and will differ from yours. If you are not satisfied with your results post some charts and we can figure out how to improve on them.

-

Posted by [liemo](#)

Mr Pip. I've entered a trade EJ @ 1.272 extension of AB, price has kept going to 1.618 (almost taking out the SL) then reversed. If we pull a fib from A to D (1.618 extension of AB) the entry point comes quite close to the 38.2 AD, your rules states that once it hits the 38.2 fib move SL to BE. If move the SL up in this situation it will be too close to PA and one slight slip of PA will take out are SL. Just wondering how you would approach this normally, would it be better to wait for a high low to create then move the SL up accordingly?

Price action considerations would have kept you from early entry as there was strength going into your PRZ. if your BE point is to close to your entry you can to one of two things:

1. Trail stop on structure swing lows till break even is achieved.
2. Use the 50% Fib as your BE.

-

Posted by [ewgcorp](#)

Dear Mr. Pip,

this chart of EU is so confusing. the pattern seems to have near perfect harmonics the pattern also seems to have structure however the anchor swing, main swing and dominant swing seem to be singing a different song. the price action is confusing the price seems to be confused about whats going to happen next "indecision".

my question is keeping to KISS principles (Keep It Simple Simon). are there rules for this pattern or are my eyes deceiving me?

thanking you for your kind comments.

Not sure what pattern you are referring to and your chart is way to small to look at the PA but the structure of order flow is quite clear. The market is speaking to you and telling you it wants to keep moving down.

-

Posted by [ewgcorp](#)

Hi Mr. Pip and Mr. Scott,

i was looking at the 1 min chart re EU. these are the structures i was considering: $AB=CD$

as you can see the C run was a great outcome. however, on the up swing D. i have 2 potential PRZ.

I would be delighted to have your kind comments and thoughts.

kind Regards,

Chad

If you are against order flow it would be unrealistic to expect price to reach the higher PRZ you would have to look towards structure to see if order flow is changing to support your target.

-

Posted by [gristar](#)

Hi mrpip about the chart you posted i dont quite get it at point c . You mentioned point c has not reached yet after point b is broken and it will invalidate bat pattern. isnt bat pattern structure can be value from 0.382-0.886 of ab retracement .

No it is not refere to the pattern reference guide I posted early in this thread. I have not directly covered bat patterns yet

-

Posted by [shadodwel](#)

I've been reading this thread for the past few days and have only gotten up to page 76. I have a lot of practice to do with other patterns, but I am loving the ABCD and AB=CD patterns. I think these are the only ones I am going to focus on.

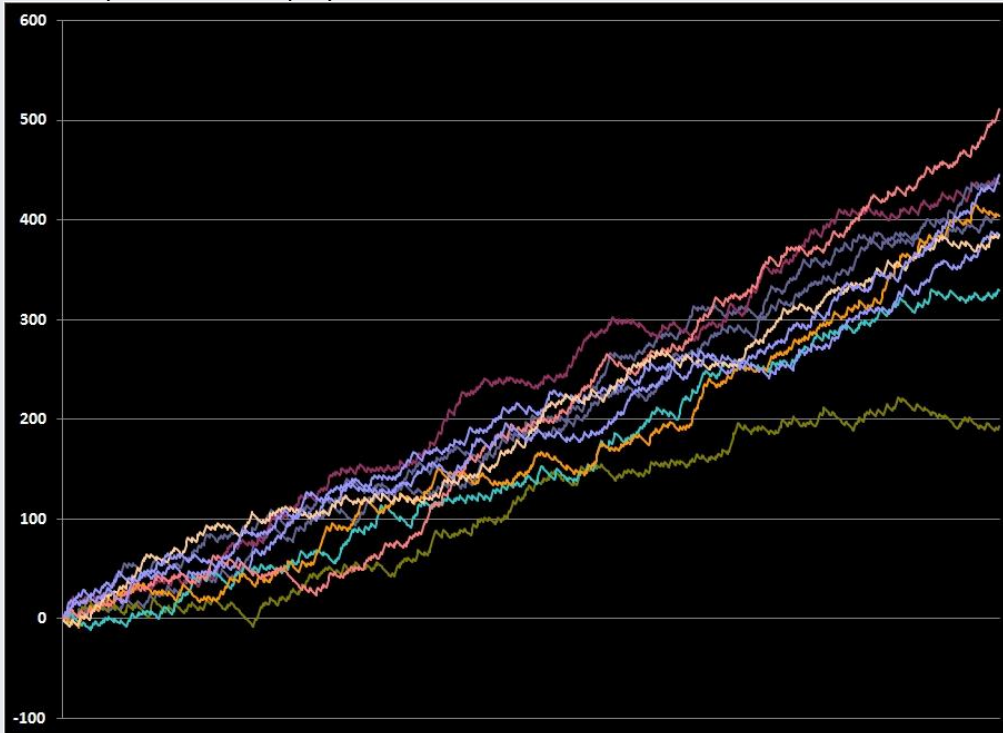
Great idea these alone will change your life. Get to know them but get to know price action this is the secret to successful trading.

-

Posted by [BroncoCap](#)

They surely are changing lives. I completed my 100 trade ABCD challenge (102 actually) and results are posted [here](#).

Biggest take-away: A 61.8% retracement entry with 78.6% stop and 0% target would have made 30%+ return, nominally. Simulated equity curve looks like this:



These were non-filtered, basic entries, nothing special. Question is: can you handle a 30% win rate? Or can you improve...

Great work and way to make it your own. I'm sure you could make to the 50% mark with more practice and a closer read on price action. If you want send me your rules and a chart via PM or here and we will see if we can get epic. It was also my pleasure to forward the keys to the kingdom. I hope you continue to grow and others too!!! All I can do is lead the horse to water. The drinking is not up to me.

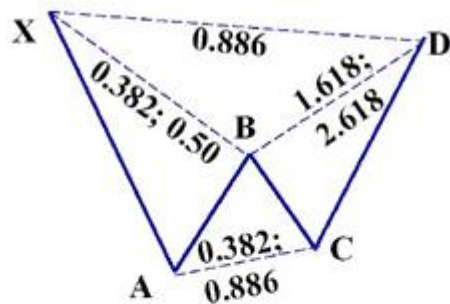
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Posted by [gristar](#)

Original Post:



Scott Carney:



Why if point C not reached 61.8 then it will invalidate the pattern? According to Scott Carney book this is what defined as Bearish Bat Pattern. Isn't point C could be 0.382-0.886 where in the post the point C leg already in the range of what Scott defined?

Not sure if i read the book and understand wrongly. Thanks

Yes, according to Scott Carney it is but, I have made these patterns my own. I have recommended to all to do the same. I have optimized these patterns to provide the best risk reward possible. Sure my rules will invalidate some patterns that fit Scotts rules but and as a result we will trade fewer but the ones we will trade will have higher probability of success. Make them your own, learn them, study them and become intimate with them and your equity curve will soon turn in your direction.

Posted by [ewgcorp](#)

Hi Mr. Pip,

thanking you for responding.

the pattern i am referring to actually i am not sure if you have referenced it before, and i dont think it is a pattern at all. however, i noted price movements and the length of the trend lines (black lines)/price movement have the same lengths in up and down movements.

please could you be so kind to clarify how you determined the structure of order flow?

thanking you for your kind support,

*best wishes,
Chad*

It is not uncommon to these types of formations in strong trending markets. They are known as bull or bear continuation patterns and often also share harmonic tendencies. In the study of price action and structure analysis one can see the trend's weakness or strength and the breakdown process unfold. This can be achieved as pullbacks become deeper and projections get shorter. The market through structure will give you a heads up in advance as to its intention.

-

Posted by [ewgcorp](#)

Hi Mr. Pip,

thanking you for your kind response and pateince.

please could you be so kind to clarify how you would determine order flow and price action? looking at the EU chart attached. what seems to be the highest probabibility of action that should be taken to enter this trade and decide if we will be bullish and bearish?

thanking you for your kind support,

*best wishes,
Chad*

In the chart below you can see how the market produced a new structure high (NSH). This is the market speaking to us letting us know there is weakness and intends to climb higher. The bulls were not able to capitalize on this weakness and gave the bears the time they needed to regroup. This is seen by the series of lower highs (LH) and lower lows (LL) that followed. Price then achieved a lower high (oval #1) but this correction had more strength then the previous 3 corrective swings this is a sign that the bears are weakening slightly. I say slightly because this correction only achieved a 38% retracement which indicates very bearish order flow. The following impulse leg shows acceleration in price and deeper projection this was expected as we already knew the bears were in control of this market. Look at the difference between to two yellow arrows showing the angles of the two swings. The bulls are also fighting hard trying to enter this market and let their presence known. Lower high in oval #2 shows a deeper correction from oval 1 indicating a show of strength and commitment by the bulls to try and take back this market. The break down in order flow has already begun. Price also rejected structure marked by the dotted line. Price at present looks to have formed a higher low but has two obstacles in its path before achieving higher highs and another attempt to change order flow once more. A close above the oval 1 would produce a new structure high (NSH) and confirm a commitment by the bulls to push price higher.



Posted by [mm3934](#)

Good morning Mr Pip,

would appreciate your comments on what I thought was/is a bearish bat forming on M15 AUDUSD

My concern or doubt is that between A & B a spike went lower than A. Should the spike now become the A or is the whole pattern invalid.

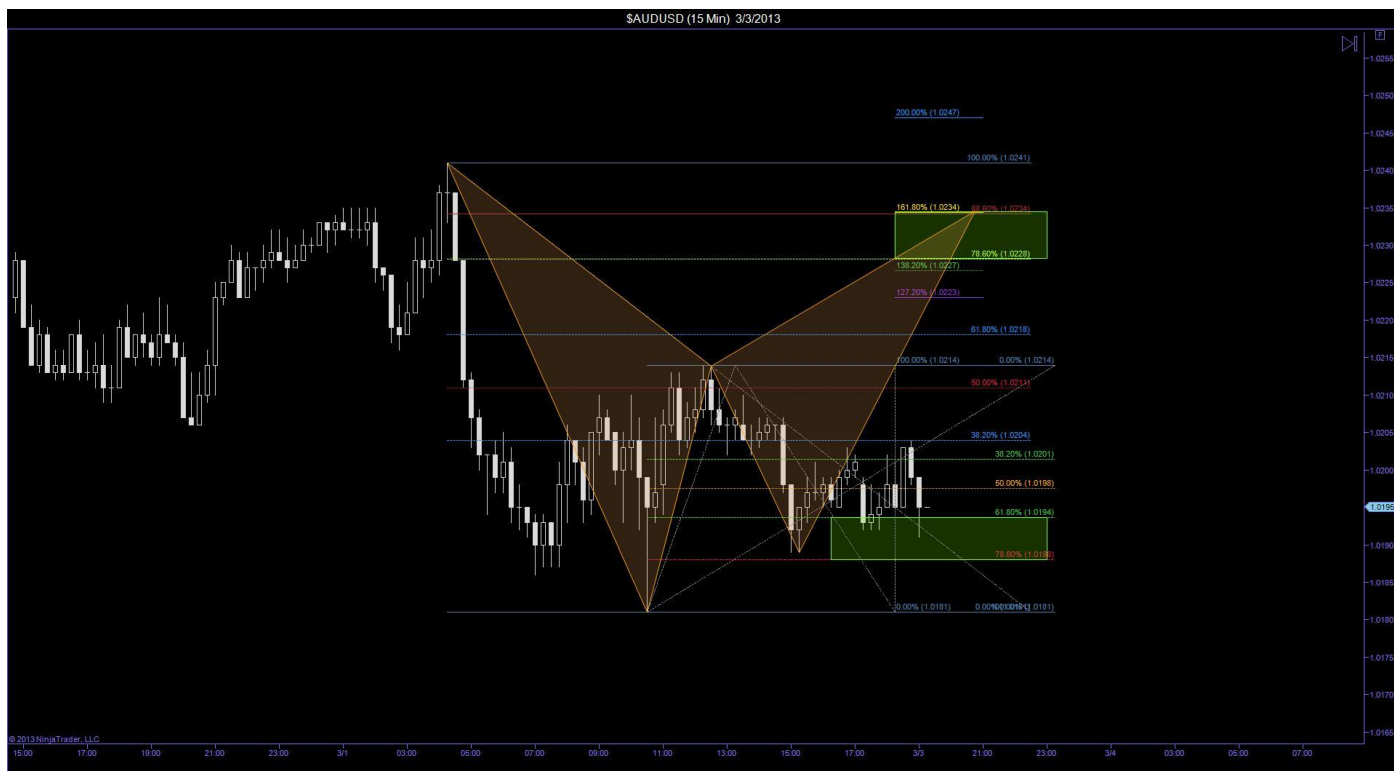
Moving the fibs to the spike low doesn't alter the PRZ very much but the bat looks very messy.

I realise that you haven't given detailed instructions for these but I'm trying to train my eye looking at your reference patterns as my guide

kind regards

Gary

Yes you must include the spike the 78.6 must hold for point C and this does not look good. Time will tell.



Posted by [mm3934](#)

thank you. I've decided i'm going to focus just on ABCD and $AB=CD$ until I can master them.

thanks for your instructions, examples and especially your patience.

cheers

Gary

Great idea Gary ABCDs are a gold mine it's what I mostly trade on the 233 T. There are so many that come along. Good luck!

Posted by [horuxito](#)

Hello Mr. Pip,

It would be so great if you share your today's chart from the EURUSD (if you traded that pair of course). Today has been a zigzagging day and it'd be interesting if you show us how you approached such scenario.

Thanks in advance!

I looked at the market today but stayed out as no party was committed during the time I trade. Lets see if tomorrow is any better.

Hello Traders,

Anyone of us can look at a chart and see what we want to see and make trading decisions based on what we think we see. This is the illusion that most traders see and the reason most traders never progress, they trade and stay in the shadows of the market.

I have recently seen all kinds of posts, from frustration, to irrational and from irrational to illogical. Almost all of those show signs of trading the shadows and a perception of what the trader was thinking and not what the market was actually telling. I have also seen some fantastic good sound advice and mentorship.

These patterns are all very profitable and you may think swing identification is difficult or even subjective as some traders have mentioned in some posts. I assure you that there is nothing subjective in my approach or decision making process. But I trade beyond the shadows or illusions that clouds most. I have mention repeatedly that price action is king. That you must understand structure and price action.

I ask all members of this thread how could you expected to trade at consistent levels if you have no idea where the market is moving to or if you can't identify where the market is changing direction. This is the secret to trading.

I have said that not all patterns are tradable that you must qualify your trade setup (pattern or whatever). Build that case for entry listen to the market. Some of you are taking every pattern you see and even forcing patterns where there is none.

When I gave you rules to follow they were guidelines for you to use as I use them, then, if your rules are met see if price action and structure agree. That's your blessing to proceed.

Find that facts read your charts and stop thinking. Make decisions based on what you see. The market can be forecasted and you can stay ahead of price but you will not achieve this until you step out of the shadows.

-

Posted by [topedge](#)

Thanks Mr. Pip for this response. I am attaching this link as it also speaks to this;

<http://networkedblogs.com/J0co7>

Mark Douglas, in his book Trading in the zone, attempts to provide you with the "state of beingness" that will lead to successful trading. I have listened to professional athletes who have attempted to describe this "state of being", without attachment. The fact is no amount of words, written or spoken can illuminate that experience of "beingness", or just being present without attachment. It requires a rigorous...

Amazing article. Thanks for posting this link. I'm glad you found this and will look into the book. I hope everyone reads this and can apply it to the market.

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