Sonic Rules:
1. Do not Over trade big during Asian Session.. Most of the best Set Up or Proper trend occur at/after London Opens.
2. Do not Over trade, as a soniker you shouldn't have more than 10 trades a week.
3. Let your winner runs, while appropriate and resonable SL is recommended.
4. Never add a losing positions aka average your positions.

The essence.....
1. H4 candle(s) suggesting a M15 setup to be valid.
2. Proper M15 PA waves; L-H-HL (long), H-L-LH (short).
3. Good angle on dragon (the steeper the better).
4. Entry when PA is on correct side of dragon and moving at least a few pips beyond end of first PA wave leg #3 candle exiting the dragon.
5. Better still if PA is on correct side of Trend Line.

Apr 22, 2012 http://www.forexfactory.com/showthread.php?p=5597923#post5597923

Such chart body technical analysis indicators as moving averages, bollinger bands, etc., and sub-window technical analysis indicators as the CCI, QQE, RSI, stochastics, etc. are, as Basber has called them, worthless "garbage". This is because: 1) they are all lagging indicators, and 2) they all temp traders to predict and trade on the "logical forcast" of their patterns! And, as we all should realize, the assurance of the pattern continuation is bogus. The market makes it's moves based on current price, and what it wants the price to be, which could take the price in the opposite direction from the "forcast" of any and all said indicators!

The Sonic R. System is elegantly simple. This has been stated over and again because it is the truth. And the Sonic R. System is effective, totally adequate to make money off the market. Newcomers are attracted by the statement of simplicity and effectiveness, especially after bouncing from one previously tried method to another, all based on a multiplicity of technicals. Why then, do newcomers almost immediately when "getting their feet wet" upon immersion into the Sonic R. System, start to add technical "garbage" back into it? I don't know the answer to that, but I do recognize that is a part of what each trader must face within themselves and conquer before they can come to truely believe in the Sonic R. System and apply it profitably.
I also believe many newcomer Sonicers fail to understand the purpose of that which the Sonic R. System uses, and which the TAH template and indicators provide. So, here is a reminder.
The Sonic R. System uses the Dragon and the Trend line and a bit of volume, and the actual price candlesticks. **Period!** Here is the purpose of each:

Candlesticks - used to spot appropriate wave action (L-H-HL for longs and H-L-LH for shorts), and to spot the "key" candle used in determining the trade entry area.

Dragon - used with the candlesticks to spot that "key" candle, and the angle of the Dragon as a possible measure of the momentum for the trade after the move thru the EP area. The "key" candle is the first candle that exits the Dragon on leg #3 of the PA wave. And entry should be at least a few pips beyond the end of the "key" candle!

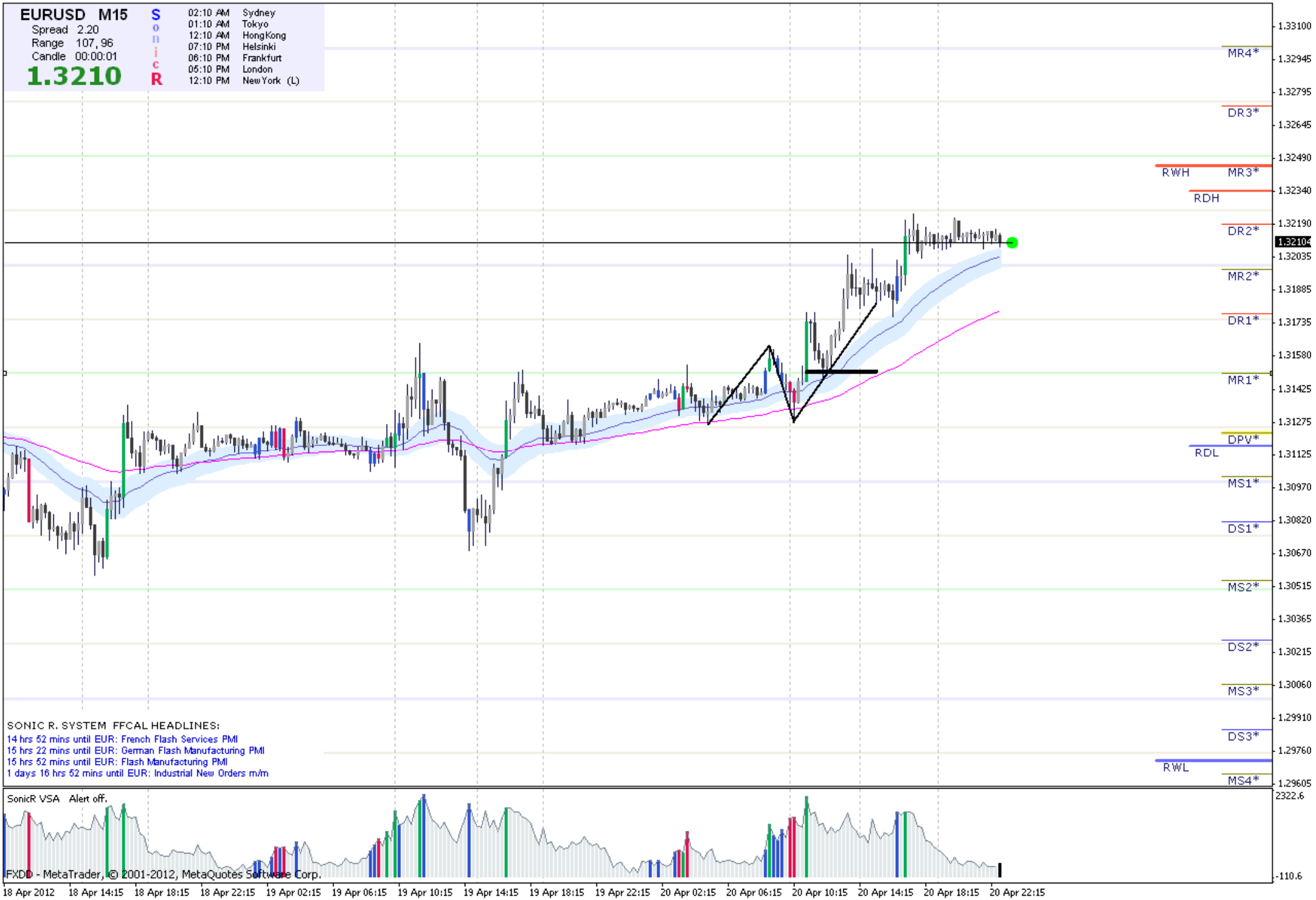
Trend - shows the market bias, which is why it is better if the EP area is on the "correct" side of the Trend line (above for longs, below for shorts).

Volume - used to spot two "indications" that might affect a trade: 1) heavy trading that peaks on leg #2 of the PA wave, which can indicate the market is trading more heavily at prices as they move away from the breakout direction of a possible setup, which can actually be good for the prospect of the trade, and 2) sudden very heavy trading as the price is running during the trade, which can mean the market is taking profits and the run might soon be overwith, which can mean it is time consider exiting the trade.

In addition to these Sonic R. System fundamentals, the following aides are included in the TAH template and indicators:

- Control Panel - makes posts much easier for readers to ID the pair being posted, provides some basic market data (spread, range, range used, time remaining on current candle), and a clock showing when the forex market opens in some important time zones.
- Range Lines - shows the range H/L marks for the day, which can be used in deciding which of possible SR levels to take exit.
- Pivot Lines - shows both broker server and (by default) the pivots most used by the market, and can be adjusted to show pivots for any time zone. These are provided for the same reason the Range Lines are provided; to be used in deciding which of possible SR levels to take exit.
- Level Lines - the whole, half, quarter levels predate all else as determinate SR. These continue to be psycologically powerful SR areas, with whole numbers levels the most so, down to quarter levels being less so. These are convenient natural SR levels to use because they are "rooted" into market trading from eons ago, and are totally independent of time zone considerations. Knowing Support and Resistance levels (actual from viewing the price chart) is fundamental in the application of the Sonic R. System. And these Level Lines areas are fundamental in historic SR. View any large TF chart into history and you can confirm this for yourself.
- vLines - these show when the market opens in London, in NYC and when the market closes in London, and are used to mark the recommended time for trading with the Sonic R. System because that is when trading levels are highest and therefore when trades have the better chance to run well.
- FFCAL Panel - Shows timing of "news", and only for the purpose of providing a "heads up" of possible times of above average volatility.

Sonicers, I hope we all, both newcomers and others, will come to have faith in the Sonic R. System, not as we "garbage" it up to be, but as the **MASTER Sonicdeejay**has presented it,....elegantly simple and effective.


EURUSD M15
Spread 2.20
Range 107, 96
Candle 00:00:01
1.3210
Sonic R
02:10 AM Sydney
01:10 AM Tokyo
12:10 AM HongKong
07:10 PM Helsinki
06:10 PM Frankfurt
05:10 PM London
12:10 PM NewYork (L)
MR4*
DR3*
RWH
MR3*
RDH
DR2*
MR2*
DR1*
MR1*
DPV*
RDL
MS1*
DS1*
MS2*
DS2*
MS3*
DS3*
RWL
MS4*
1.33100
1.32945
1.32795
1.32645
1.32490
1.32340
1.32190
1.32035
1.31885
1.31735
1.31580
1.31425
1.31275
1.31125
1.30970
1.30820
1.30670
1.30515
1.30365
1.30215
1.30060
1.29910
1.29760
1.29605
SONIC R. SYSTEM FFCAL HEADLINES:
14 hrs 52 mins until EUR: French Flash Services PMI
15 hrs 22 mins until EUR: German Flash Manufacturing PMI
15 hrs 52 mins until EUR: Flash Manufacturing PMI
1 days 16 hrs 52 mins until EUR: Industrial New Orders m/m
SonicR VSA Alert off.
2322.6
110.6
FXDD - MetaTrader, © 2001-2012, MetaQuotes Software Corp.
18 Apr 2012
18 Apr 14:15
18 Apr 18:15
18 Apr 22:15
19 Apr 02:15
19 Apr 06:15
19 Apr 10:15
19 Apr 14:15
19 Apr 18:15
19 Apr 22:15
20 Apr 02:15
20 Apr 06:15
20 Apr 10:15
20 Apr 14:15
20 Apr 18:15
20 Apr 22:15

Jul 18, 2012 http://www.forexfactory.com/showthread.php?p=5850074#post5850074
Sonic R. System VSA

First off, our VSA is not exactly like the "original" VSA. Our VSA is a more simple combination of coloring of the volume histogram using blue bars to indicate volume rising above the 10 period average volume by 38% or more, and using green and red bars to show "institutional activity of note" when bull or bear candles have the highest product of spread X volume over the past 20 bars.

The blue bars are simply an indication "business is picking up". The green/red bars denote "institutional trading" went into high gear. These green/red bars can come near the beginning of a move, so possibly denoting a run is in the making. However, if the resultant move was very modest, ending soon after such bars, then these bars can be denoting both the beginning and end, something like the final spurt of activity, and possibly before a reversal. These green/red bars can also come during a move, so possibly denoting a run is coming to a close, or a pause.

A study of volume is not the basis for a Sonic R. System trade. However, if a current Sonic R. setup points in the same direction that a study of recent volume points to, then there can be added confidence the setup will not end in a headfake. Also, if you are in a Sonic R. System trade and suddenly a green or red bar appears, especially if the volume bar is exceedingly tall, that should alert you to the possibility the run is nearing the end.

Conclusions drawn from the study of the relationship between price and volume cannot be exacting. For one thing, forex volume is only the count of trades on your broker's server, not the market-wide count on total currency being traded. For another thing, and more importantly, the "Big Money" trading outfits can turn price around on a dime and send it far off in the opposite direction. **And they can do this at any time, no matter what any sort of technical study has been "telling" you!**

Jan 22, 2013 http://www.forexfactory.com/showthread.php?p=6382218#post6382218
About VSA & the Sonic R. System

When the Sonic R. VSA Histogram indy was created, it only incorporated the most significant of heretofore VSA circumstances; climax spread-volume situations. And it improved upon that coding to show when the candle was either bull or bear. It was released with a VSA Candlesticks indy that also showed these bull and bear candles, color coded in the same manner. These indys departed from VSA in that "rising volume" code from our previous SonicR Volume indy was also incorporated (with new bull/bear color coding in the next release).

The intent was, and is, to show when there is clear evidence of increased market activity, with both the volume and candles color coded so the user can easily relate one to the other. There was no attempt to incorporate the other "situations" from the heretofore original VSA.

To date, I stand by this unique amalgamation of volume information for forex trading. Forex trading (and forex volume) is not exactly like stock trading and stock volume, for which the heretofore VSA was birthed. For one thing, the stock market has limited "floating stock" for SM to go after. In the forext market there is no limitation on the currency that can be traded (other than you probably cannot have trades that exceed the full amount of a country's currency). For another thing, stock market volume is a far truer disclosure of volume. In the forex market all we have is count of trades for volume, which totally ignores the actual size of those trades! Furthermore, the forex "volume" you see is only that which is transacted on your broker's server. It is not market wide! Nor it does not include "private placement", huge transactions directly with liquidity providing banks that do not have to be disclosed until up to three days following the transactions.

Do not conclude that SonicR VSA is the VSA normally referred to in all the pdfs. available. It isn't. And in my opinion the SonicR VSA, a more simplified form, is superior for the forex market.

The Sonic R. System does not trade on volume alone! In fact, volume is to be used as an "after-the-fact" confirmation/contradicton to a later Sonic R. setup. Our SonicR VSA uses only the most notable of volume situations, as they are the most reliable, but even then volume is to be considered only as a part of what we consider in the analysis of a setup. And when we consider such volume information, we look not only at current volume, but also at volume over the previous day, even days, as a part of the analysis. In this manner, we look to see if there is consistency in what the market has been doing, and if this is also consistent with a current Sonic R. setup.

The Sonic R. System is, and has always been, analysis of price action relative to support and resistance, using both PA waves and the dragon as indications price is ready to move with momentum behind it, and the Trend Line as a reminder of the current trend direction. SonicR VSA is used only to help decipher which direction is it that SM has been most interested in. Keep this following thought in mind. Just because VSA gives a strong indication SM is shorting, for example, that never ever preempts the validity of a SonicR long setup. A SonicR short setup would be nice, but a properly qualified long setup can run just as well. They frequenly do (and the same is true for the reverse situation, obviously). Volume analysis can add confirmation, but the lack of confirmation does not invalidate an otherwise proper Sonic R. System setup.

Conclusion:
The Sonic R. System is an elegantly simple way to trade price action moves between support and resistance areas, using both PA waves and the dragon as indications price is ready to move with momentum behind it. The Trend Line and volume analysis are additions. They are good if they offer confirming signals for a setup, but they do not of themselves automatically invalidate an otherwise proper setup just because they do not appear to be confirming. Sonicers should learn well this core concept of the Sonic R. System and to apply the basics of the Sonic R. System properly. **The Sonic R. System is not a VSA trading method!** The Sonic R. System from the beginning has, and does stand alone without any volume. Volume became a part of the Sonic R.

System due to the fact that it is the only technical that is not a price derivative, and in that regard any confirmation from volume is far more valuable than a confirmation from some price derivative indicator, whch we don't need since we already use price itself. The SonicR VSA, in the fashion of the Sonic R. System itself, is an elegantly simple way to find the most reliable volume indications, for those who wish to use them. As with other features of the TAH templates & indicators such as the Clock, Levels, time zone shiftable pivots. range lines, key market open/close lines, and the FFCal Headlines Panel, the VSA volume is there for users to partake of as they wish.

Feb 14, 2012 22:52 http://www.forexfactory.com/showthread.php?p=5384209#post5384209
The term "**stopping volume**" was coined by Sonicdeejay to decribe a situation of significantly bigger than average candle volume appearing while the price is running. It is a situation to be alerted by! Often following such a signal, PA stalls. And though it may still peg a higher high, or a lower low, PA frequently then reverses! If you are in a trade when "stopping volume" appears, it should alert you to more closely watching PA with the idea that it might be nearing time to exit the trade, especially if you start to see signs the run is weakening.

In the SonicR VSA indicator and subsequently released SonicR VA and SonicR PV volume indicators the "Climax" candle/volume situation is coded. This is a situation where the product of the candle spread and the candle volume is the greatest over the selected averaging period. When significantly high volume appears as a part of this situation, it seems to be an even more likely a sign of reversal.

This is why the future template/indicator package to be released, only highlights "Climax Volume" candles. The previously, additionally highlighted situations where just volume was significantly over average (regardless of candle spread) will be excluded. I am experimenting with this in conjunction with a very simple volume indicator that is exclusive of any highlighting. It is working quite well so far. And it allows for a less busy chart, which favors our staying focused on the Waves, Dragon, Trend and S&R,.....which may be why it is working well.

Starting this week and using the experimental template, I have opened and closed 4 trades, all profitable for a net gain of 240 pips. I have just opened another trade. We'll see how well it goes. Of course, it is not just the template, but I credit the clean chart that just shows the few, key elements in the Sonic R. System with enhancing proper focus, and helping me to make better decisions.

Mar 21, 2013 10:29 http://www.forexfactory.com/showthread.php?p=6533163#post6533163
Ok, Something About Volume:

At any time when an MM starts building a position, or decides to add to one you will see the price move up and down, or down and up. This keeps the price in a range and makes the average cost more attractive than if the MM simply kept buying in an upwards direction or selling in a downwards direction. Sometimes there can be more than two swings, and they do not all have to strike the same highs and lows. The point is that by manipulating the price up and down the MM keeps from moving the price up too high while buying, or from moving too low while selling.

Consolidation areas on charts are where you see the price has constantly moved up and down within a range, and in a concentrated fashion. The market term "consolidation" is another of those benign and palatable words that really avoids telling the truth. The truth is that when you see these areas on a chart you know there is a concentration of MMs buying or selling. If you could figure out which it was (and sometimes you can) then it makes you a less easy target for the MMs to steal money from.

You cannot tell from the up/down price gyrations put on by the MMs when they are active buying or selling, which it is. Other kinds of information must be added to the mix. Volume is unique information because it is not a technical that is a calculated derivative of price information, as all other technicals are. It is the one technical that can show you something that no other technical can show you. It can show you the price areas the MMs are doing most of their trading; at the higher prices, or at the lower prices. Is it any wonder that in the forex market the volume information given to us is prostituted down to a count of trades rather than a count of currency volumes traded? If we knew just how big some of the trades were after prices were driven to lows or to highs, then we would be even more knowledgeable about whether the MMs were bulls or bears.

Any volume chart can give enough information to reasonably figure this out, however. Even though we don't know the size of trades, if the count of trades goes up, then we know that was where the MMs wanted the price. If this is as a result of the price being driven low, then we can conclude the MMs wanted the price low because trading increased at the lows. And if that is the case, then the MMs are either closing shorts at the end of a Mark Down phase, or they are opening longs as part of an Accumulation phase. If this is as a result of the price being driven higher, then we can conclude the MMs wanted the price high because trading increased at the highs. And it that is the case, then the MMs are either closing longs at the end of a Mark Up phase, or they are opening shorts as part of a Distribuition phase. In other words, if the MMs run the price up and following that there is increased volume of trades, then the MMs are bears, not bulls. If the MMs run the price down and following that there is increased volume of trades, then the MM are bulls, not bears.

You see, bullish MMs do most of their Accumulation while price is in a range, before they break the price up out of the range. Sometimes they even drop the price down out of the range (called a head fake) to get lower prices for additional buying. Once they are loaded up long, they are ready for a Mark Up run. Bearish MMs do most of their Distribuition while price is in a range, before they break the price down out of the range. Sometimes they even raise the price up out of the range (called a head faket) to get higher prices for additional selling. Once they are loaded up short, they are ready for a Mark Down run.

The point is, by looking more closely at those events where the MMs run the price down or up, by studying the volume associated with the price bars during such an event, you can often see whether the MMs are bulls or bears. To do this you need to drop down to M1 charts and see what the volume looks like as price is manipulated up or down, then peaks and goes sideways. If the volume is more substantial overall at and after the extreme prices are achieved than before the run then you can conclude that is where the MMs wanted the price to go. And if that is where they wanted it to go then if it went up, the MMs are bears that are either closing longs or opening shorts. If it went down, then the MMs are bulls that are either closing shorts or opening longs.

However, if price went up and then soon fell down again, it is more likey the rise was buying and then the MMs pulled the price down again for lower prices for more buying. If the price went down and then soon went back up again, it is more likely the drop was selling and then the MMs pulled the price back up again for higher prices for more selling. Most of PA is just a misch-mash of ups and downs and volume that is indeterminate. So you have to be diligent. You have to investigate any notable price action and move on until you come to an event that yields the information you are looking for.

Just keep this in mind about the MMs manipulating prices. There are sundry MMs, so one move can be followed by another, and another as each MM pushes prices to new highs or lows seeking better prices for their selling or buying. So, we do not trade on volume information alone! The way to use the information that studying volume gives you regarding whether MMs are bulls or bears is to wait for the next valid Sonic R. setup in that direction.

Some of this might sound tedious. It isn't, once you get the hang of it. Trading isn't easy, but price action and volume together can be very reliably predictive those times when clear clues appear; as close to the "Holy Grail" as anyone will ever come. Most forex traders shun volume, and have no idea what they are missing.

Mar 21, 2013 http://www.forexfactory.com/showthread.php?p=6533182#post6533182

Volume:

Ok, having read the above, what can you decipher from this M1 chart? Bull or Bear? What is the Tip-off?

AUDUSD M1
Spread 2.80
Range 71, 20
Swaps 6.30, -9.30
Candle 00:00:10
1.03725
Sonic R
04:08 PM Sydney
02:08 PM Tokyo
01:08 PM HongKong
07:08 AM Helsinki (B)
06:08 AM Frankfurt
05:08 AM London (G)
01:08 AM New York (L)
1.03995
1.03975
1.03955
1.03935
1.03915
1.03895
1.03875
1.03855
1.03835
1.03815
1.03795
1.03775
1.03755
1.03735
1.03725
1.03715
1.03695
1.03675
1.03655
1.03635
1.03615
1.03595
1.03575
SonicR PVA (10, 10, 1.50, 2.00) Alert on.
115.5
-5.5
SONIC R. SYSTEM FFCAL HEADLINES:
4 hrs 38 mins since AUD: RBA Bulletin
7 hrs 22 mins until USD: Unemployment Claims
7 hrs 52 mins until USD: Flash Manufacturing PMI
8 hrs 52 mins until USD: Existing Home Sales
MetaTrader, © 2001-2012, MetaQuotes Software Corp.
21 Mar 2013
21 Mar 03:38
21 Mar 03:54
21 Mar 04:10
21 Mar 04:26
21 Mar 04:42
21 Mar 04:58
21 Mar 05:14
21 Mar 05:30
21 Mar 05:46
21 Mar 06:02
21 Mar 06:18
21 Mar 06:34
21 Mar 06:50
21 Mar 07:06

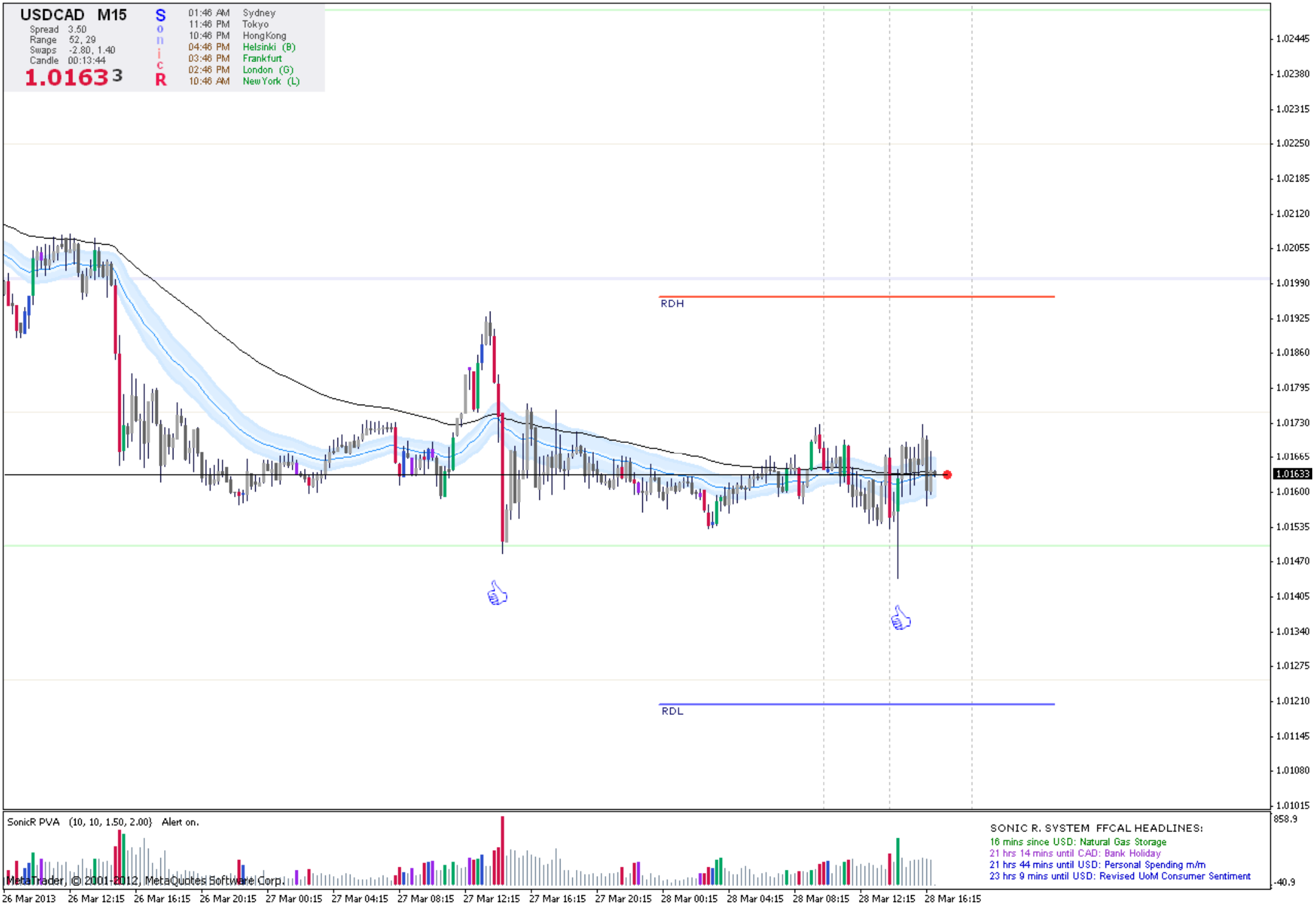
Mar 21 Mar 21, 2013 http://www.forexfactory.com/showthread.php?p=6533917#post6533917
Bull is correct. There were two clues, actually. On that M1 chart the price went up on left (green bars) but quickly started back down. This was a preliminary indication those green bars were concentrated genuine buying by MMs that were bulls. You can see the downwards sloping PA all across the screen as the MMs worked the price back down. So the first clue was that price did not stay high, and the long sloping line gave it away very clearly. The second clue on that M1 chart was the striking high/increased red bar in a series of tight increasing bars, as the MMs - now close to the bottom - suddenly rammed the price back to/thru that best of previous lows, with the highest volume after the break low! Yes, bullish indeed!

So, at some time....eventually (the timiing which we cannot predict)....the MMs will get around to the Mark Up to start making the profits on all the long positions they manipulated the price so dearly to obtain. By the looks of the current M15, this process has now started.

Mar 28, 2013 http://www.forexfactory.com/showthread.php?p=6556084#post6556084
Price-Volume Analysis Lesson:

The attached M15 chart for UCad clearly shows two times the MMs spiked the price below the half number on high activity. Below whole and half numbers is where the MMs prefer to build long. You should look at your M1 charts for these two events and see for yourself how the activity picked up once the MMs got the prices low! This is how to use price and volume to determine if the MMs are bulls or are bears.

The MMs are bulls on UCad, putting on bearish price action as they continue to build long for an eventual move higher. Once you determine if MMs are bulls or are bears, you still won't know the "timing" of the eventual move they are planning for. It could come at any time, and sometimes not for many, many days. High impact releases upcoming in one to several days can often turn out to be the "timing" the MMs plan on. Sometimes, however, the MMs can put the move on "hold" and wait until into the next week, or even beyond.


USDCAD M15
Spread 3.50
Range 52, 29
Swaps -2.80, 1.40
Candle 00:13:44
1.01633
Sonic R
01:46 AM Sydney
11:46 PM Tokyo
10:46 PM HongKong
04:46 PM Helsinki (B)
03:46 PM Frankfurt
02:46 PM London (G)
10:46 AM NewYork (L)
RDH
RDL
1.02445
1.02380
1.02315
1.02250
1.02185
1.02120
1.02055
1.01990
1.01925
1.01860
1.01795
1.01730
1.01665
1.01633
1.01600
1.01535
1.01470
1.01405
1.01340
1.01275
1.01210
1.01145
1.01080
1.01015
SonicR PVA (10, 10, 1.50, 2.00) Alert on.
858.9
-40.9
SONIC R. SYSTEM FFCAL HEADLINES:
16 mins since USD: Natural Gas Storage
21 hrs 14 mins until CAD: Bank Holiday
21 hrs 44 mins until USD: Personal Spending m/m
23 hrs 9 mins until USD: Revised UoM Consumer Sentiment
MetaTrader | © 2001-2012, MetaQuotes Software Corp.
26 Mar 2013
26 Mar 12:15
26 Mar 16:15
26 Mar 20:15
27 Mar 00:15
27 Mar 04:15
27 Mar 08:15
27 Mar 12:15
27 Mar 16:15
27 Mar 20:15
28 Mar 00:15
28 Mar 04:15
28 Mar 08:15
28 Mar 12:15
28 Mar 16:15

USDCAD M1
Spread 0.60
Range 57, 47
Swaps -2.60, 1.50
Candle 00:00:22
1.02207
Sonic R
10:14 PM Sydney
08:14 PM Tokyo
07:14 PM HongKong
01:14 PM Helsinki (B)
12:14 PM Frankfurt
11:14 AM London (G)
07:14 AM New York (L)
1.02710
1.02680
1.02650
1.02615
1.02585
1.02555
1.02520
1.02490
1.02460
1.02425
1.02395
1.02360
1.02330
1.02300
1.02265
1.02235
1.02207
1.02170
1.02140
1.02110
1.02075
1.02045
1.02015
RDL
SonicR PVA (10, 10, 1.50, 2.00) Alert on.
74.55
-3.55
SONIC R. SYSTEM FFCAL HEADLINES:
1 hrs 16 mins until USD: Unemployment Claims
1 hrs 16 mins until CAD: Core Retail Sales m/m
1 hrs 46 mins until USD: Flash Manufacturing PMI
2 hrs 46 mins until USD: Existing Home Sales
MetaTrader, © 2001-2012, MetaQuotes Software Corp.
21 Mar 2013
21 Mar 09:44
21 Mar 10:00
21 Mar 10:16
21 Mar 10:32
21 Mar 10:48
21 Mar 11:04
21 Mar 11:20
21 Mar 11:36
21 Mar 11:52
21 Mar 12:08
21 Mar 12:24
21 Mar 12:40
21 Mar 12:56
21 Mar 13:12

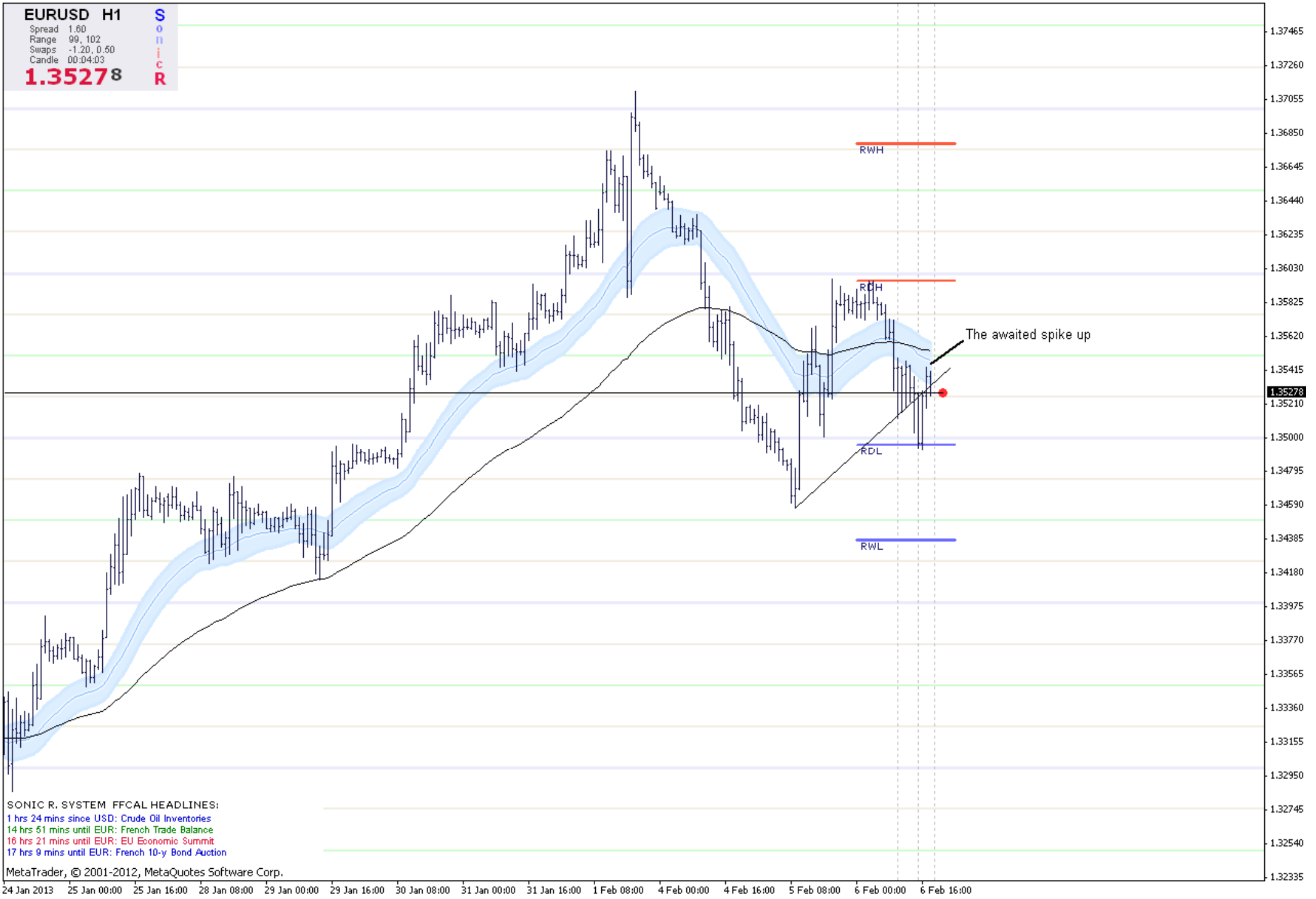
Feb 6, 2013 http://www.forexfactory.com/showthread.php?p=6424669#post6424669

How the MMs Steal Your Money:

After selling off from the Asian session highs down to the whole number area, a 100+ pips sell-off, the MMs started to support the price. They brought the price back up to the TL. From that time on, they kept the price up against the TL, feigning bullishness. Later, after the highs had crept up along with the TL for a suitable time, the MMs suddenly rammed the price up even more. Who knows how many traders got sucked into going long then!

Since the run up in price yesterday, PA has been screaming **"MMs Distributing!"** Just look at the Daily chart and see how EU has been pushed higher and higher for ever so long now. And the drop a few days ago was the first substantial drop in more than a month! Any such drop, after such a long, relentless pumping of the price, could be the start of a reversal. And you have to consider that possibility. And if prices are going lower, they aren't going much lower until the MMs start getting rid of a lot of their longs. They need others to go long in order to get rid of their longs! So, as price begins to show bearishness, there is bound to be lots of deceptive PA put on by the MMs to sucker traders to go long. The MMs not only need to get rid of longs, but in addition they need to build shorts! This requires the MMs put on a lot of fancy, deceptive PA to fool lots others into going long!

Now, the price is back below the TL, apparently moving lower. And that is how the MMs steal your money.


EURUSD H1
Spread 1.60
Range 99, 102
Swaps -1.20, 0.50
Candle 00:04:03
1.35278
Sonic R
RWH
RDH
RDL
RWL
The awaited spike up
1.37465
1.37260
1.37055
1.36850
1.36645
1.36440
1.36235
1.36030
1.35825
1.35620
1.35415
1.35278
1.35210
1.35000
1.34795
1.34590
1.34385
1.34180
1.33975
1.33770
1.33565
1.33360
1.33155
1.32950
1.32745
1.32540
1.32335
24 Jan 2013
25 Jan 00:00
25 Jan 16:00
28 Jan 08:00
29 Jan 00:00
29 Jan 16:00
30 Jan 08:00
31 Jan 00:00
31 Jan 16:00
1 Feb 08:00
4 Feb 00:00
4 Feb 16:00
5 Feb 08:00
6 Feb 00:00
6 Feb 16:00
SONIC R. SYSTEM FFCAL HEADLINES:
1 hrs 24 mins since USD: Crude Oil Inventories
14 hrs 51 mins until EUR: French Trade Balance
16 hrs 21 mins until EUR: EU Economic Summit
17 hrs 9 mins until EUR: French 10-y Bond Auction
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Mar 9, 2013 http://www.forexfactory.com/showthread.php?p=6503427#post6503427

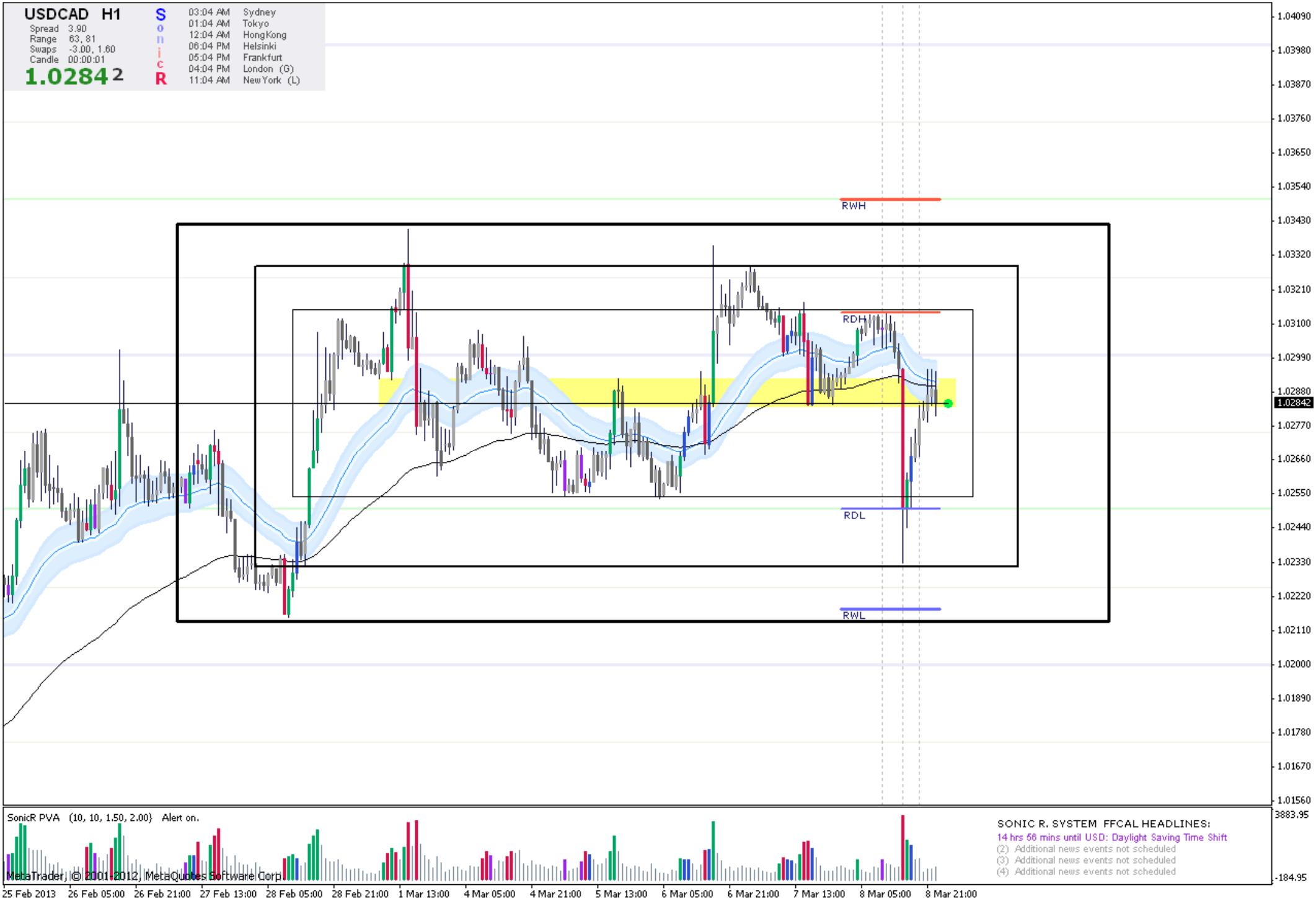
About Scout Trades:

A Scout is an inherently more risky entry than a classic Sonic R. entry, to be sure. And knowing the S&R levels that are most likely to come into play is a paramount skill with the Sonic R. System. That being said.....

One can run into a conglomeration of S&R levels that are the centers of consolidation areas, and ranges within ranges where the tops and bottoms of each range also represent S&R areas. And when this happens, it all can add up to simply too many variables to mess with. And to single out the breaking of any one S&R area as meaningfull can be folly. This is why simply waiting for a valid Sonic R. System setup is so effective. Once there is a valid Sonic R. System breakout, you take it. If it does not go far and reverses, you simply get out and have the option to go the other way.

My Scout entry was based on acknowledging that somewhere in this mess of ranges/S&R areas (any one of which could become the "effective" one, based on whatever the MMs decide to do with price), that the late day MM manipulation of price upwards was a clear sign they were bearish. And I explained how all this works. I think that takes a lot of the risk out of such a Scout trade, but we will see what happens thru next week.

The important thing to remember about Scout trades is this. A Scout trade is based in part on volume, lots of it when price makes a high or a low at a significant S&R area. That is a signal that the MMs could be unloading their positions, and that the end of trade **might** be close at hand! It does not mean they are necessarily also reverse loading, or building right away for a reverse move to happen soon afterwards. Many times unfortunately, price will continue to make more highs, or lows, and also with notable high volumes. In other words, the first such event can turn out to be just one of a series of such events in a process whereby the MMs not only unload, but do start to reload in the opposite direction. After much pain, I come to realize this, that it is better to engage Scouts when price already shows some reversal indication and that engaging Scouts in the direction of the local trend might be sooner rewarding than sending out a Scout in an obvious counter-trend situation. You can see on the attached UCad H1 chart that the Scout entry was made with the Dragon already having made a "double top" and both the Dragon and Trend having shifted to a downwards slope. As I have been writing about recently, on H1 when the Dragon crosses down thru the Trend Line there is often a pullback upwards in price (not always at the exact same time, however). If you look closely at this H1 chart, you can see that it won't take much downside PA now for the Dragon to drop thru the Trend Line. So, there is also the high possibility that the hike back up in price on Friday will turn out to have become that pullback, once we get some future bearish PA. If so, it becomes a surety this is going much lower.


USDCAD H1
Spread 3.90
Range 63, 81
Swaps -3.00, 1.60
Candle 00:00:01
1.02842
03:04 AM Sydney
01:04 AM Tokyo
12:04 AM HongKong
06:04 PM Helsinki
05:04 PM Frankfurt
04:04 PM London (G)
11:04 AM New York (L)
RWH
RDH
RDL
RWL
1.04090
1.03980
1.03870
1.03760
1.03650
1.03540
1.03430
1.03320
1.03210
1.03100
1.02990
1.02880
1.02842
1.02770
1.02660
1.02550
1.02440
1.02330
1.02220
1.02110
1.02000
1.01890
1.01780
1.01670
1.01560
SonicR PVA (10, 10, 1.50, 2.00) Alert on.
3883.95
-184.95
SONIC R. SYSTEM FFCAL HEADLINES:
14 hrs 56 mins until USD: Daylight Saving Time Shift
(2) Additional news events not scheduled
(3) Additional news events not scheduled
(4) Additional news events not scheduled
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25 Feb 2013
26 Feb 05:00
26 Feb 21:00
27 Feb 13:00
28 Feb 05:00
28 Feb 21:00
1 Mar 13:00
4 Mar 05:00
4 Mar 21:00
5 Mar 13:00
6 Mar 05:00
6 Mar 21:00
7 Mar 13:00
8 Mar 05:00
8 Mar 21:00