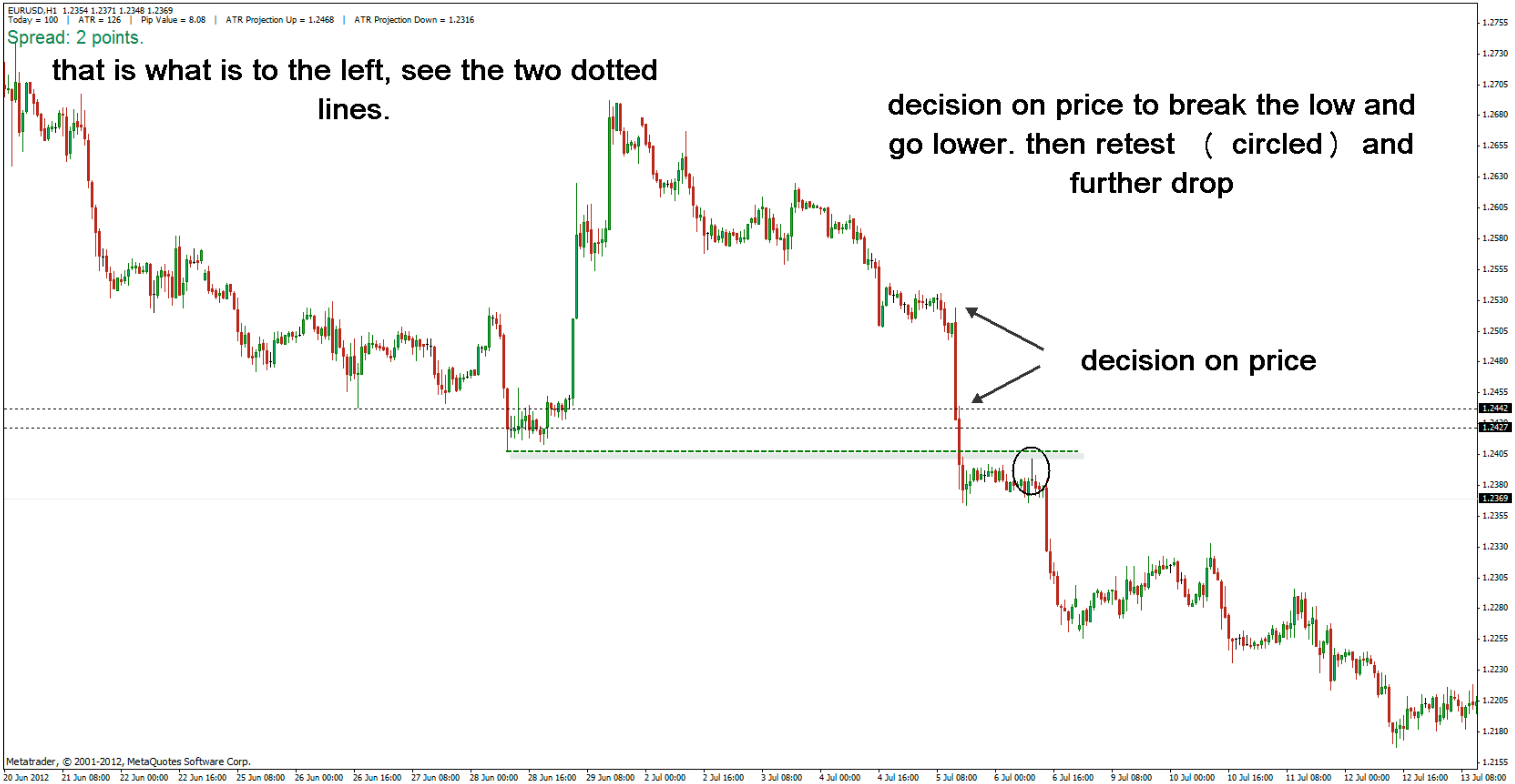
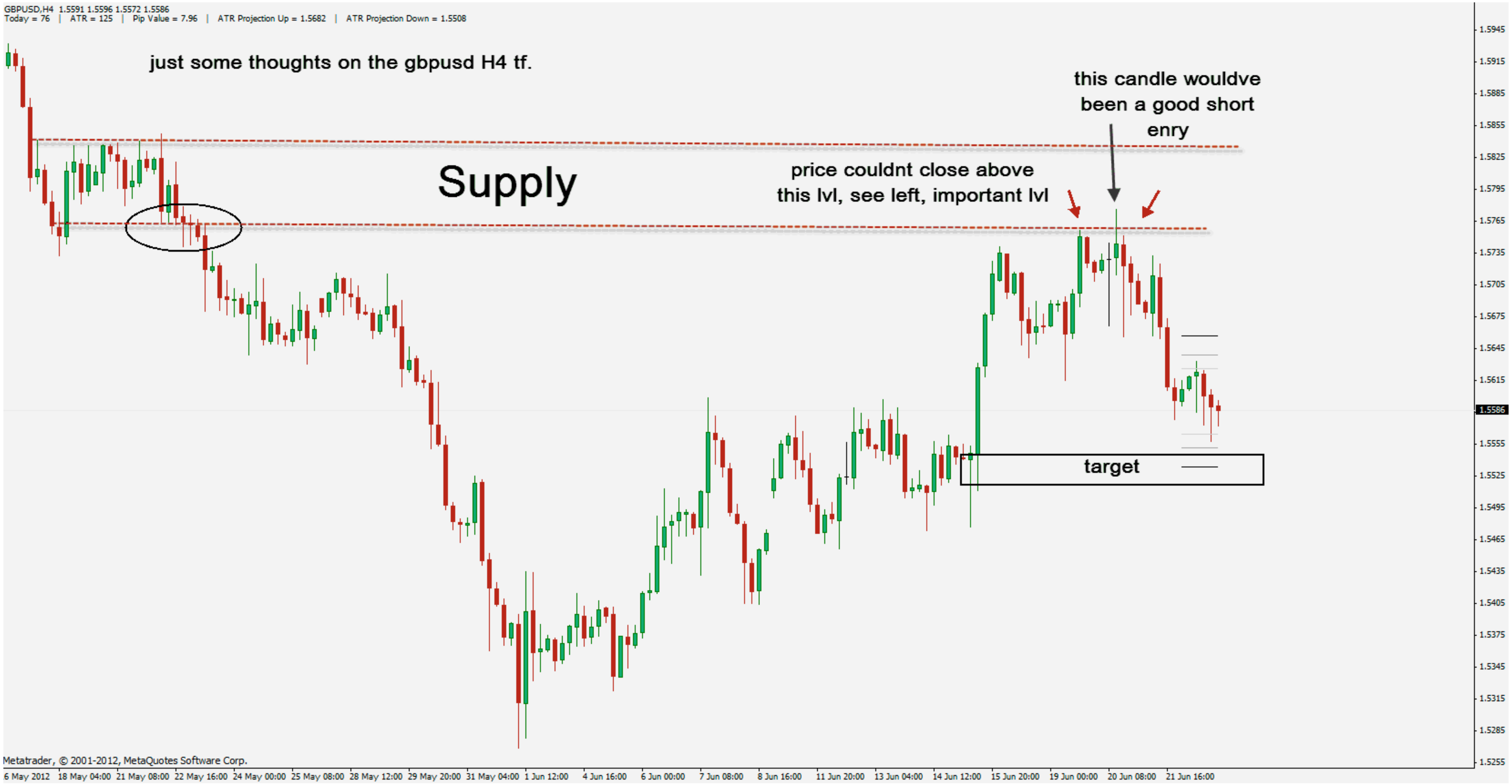


et viola, there was the last price action at this very certain area.
What happaned ?

price dropped roughly, crossed and closed below the previous bottom. Now at the prior chart price returned to this level and dropped again.
First retest = short orders are left, supply exceeds demand again. Also i would like to have another retest at the supply level marked with the top arrow. This might be a good sell area again in the future.

so we wait for price to either reach the next red dotted level to check pa for a sell or for the next supply level where the initially decision on price was made to sell again.



We will talk about pinbars etc. later in the e-book, just see how this supply area worked again.
It‘s really all about supply and demand areas.
This is the key for success.

Divergence

So we talked about the major trend. How a major trend develops and how we can increase or successrate using the trend.
Then we gone on with the supply and demand concept. We tried to explain price movements using supply and demand rules.
I did show you a lot of charts showing us awesome trade setups using predefined supply and demand areas to trade from.
But how can we increase our successrate ? What do i use to filter out losing trades ?

Well there are two more basic concepts I usually include into my trading.
First, i use divergence to combine it with my supply and demand areas and second, i use price patterns as an additional confirmation of reversals.
In this chapter we will talk about divergence.
How does it work ?
Whats the idea behind it ?

.... The last chapter of this book will be about price patterns, for which I‘m looking and how they represent possible weakness and strenght at supply/ demand areas.
Note : We are always interested in the action at or next to demand / supply areas.
Also we want to have reversals at supply/demand areas.And price patterns and divergence can predict a possible reversal. Thats why we use them.

Back to divergence.
To identify divergence, we need to compare the price structure with an indicator. I always use the MACD oscillator.
You can also use stochastic,CCI, et cetera.

If price makes higher highs, the oscillator should also make higher highs. If price makes lower lows, the oscillator should also make lower lows.

If this isn‘t the case, price and the indicator are diverging from each other. And that's why it's called "divergence."

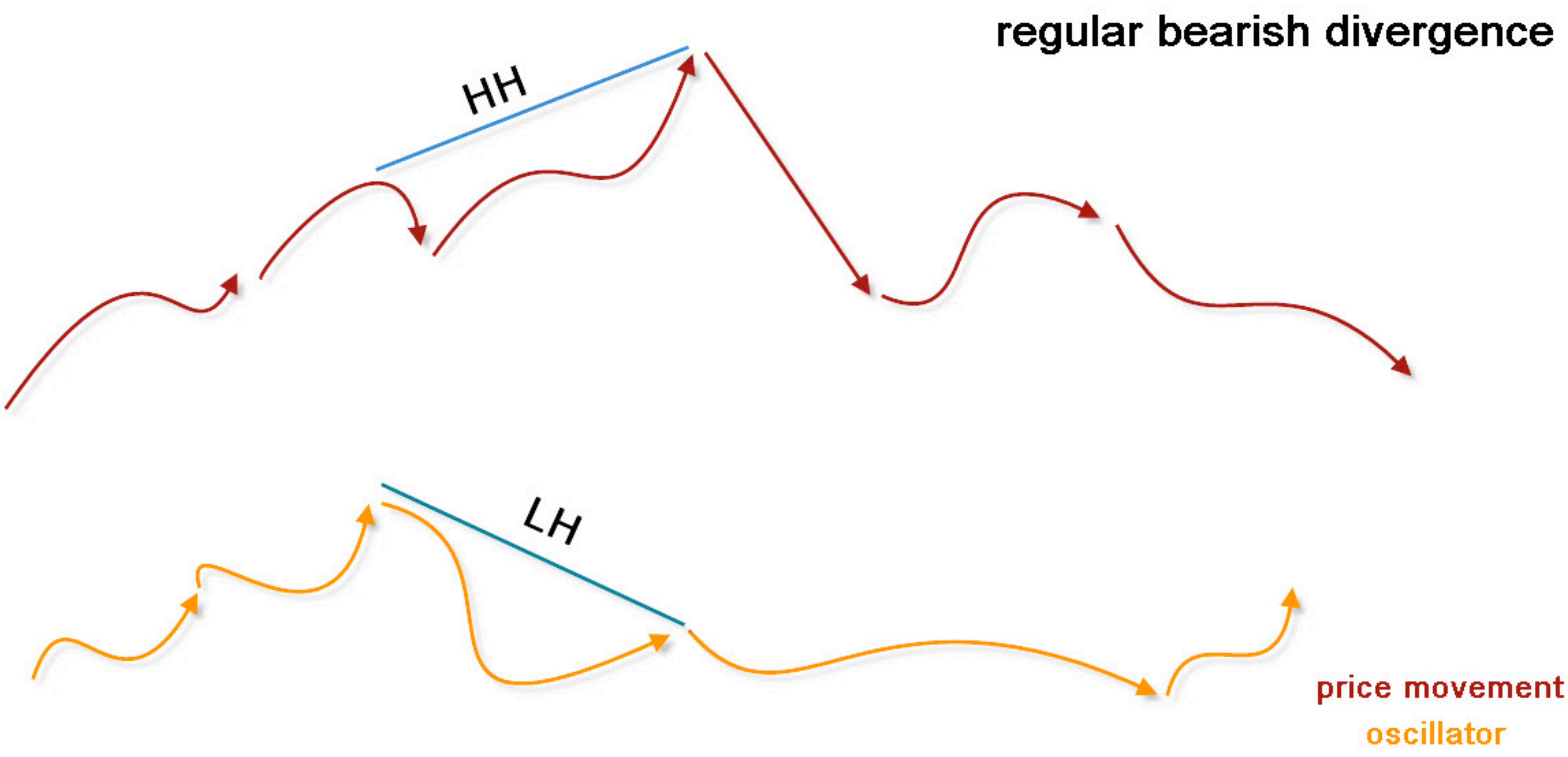
We can use divergence to spot a possible reversal, a weakening trend or even a continuing trend.

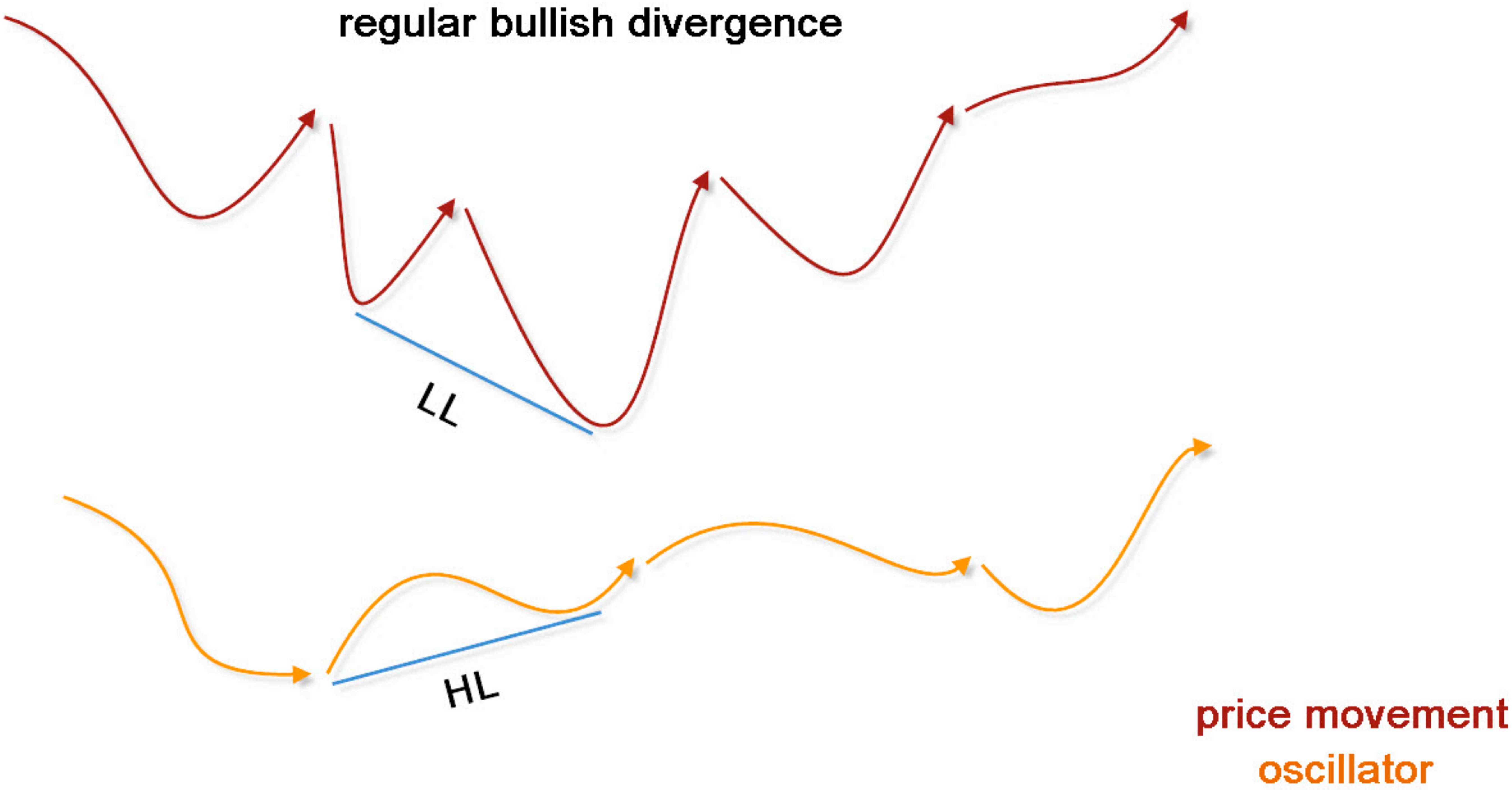
We do have two different kinds of divergences :

1. regular one
2. hidden one

1.Regular divergence

If we spot a regular divergence, price is likely to reverse.
Combine it with our demand/supply zones and we can increase our successrate by fishing out losing trades.
Some visual stuff for you :
While price made a higher high, the oscillator made a lower high.

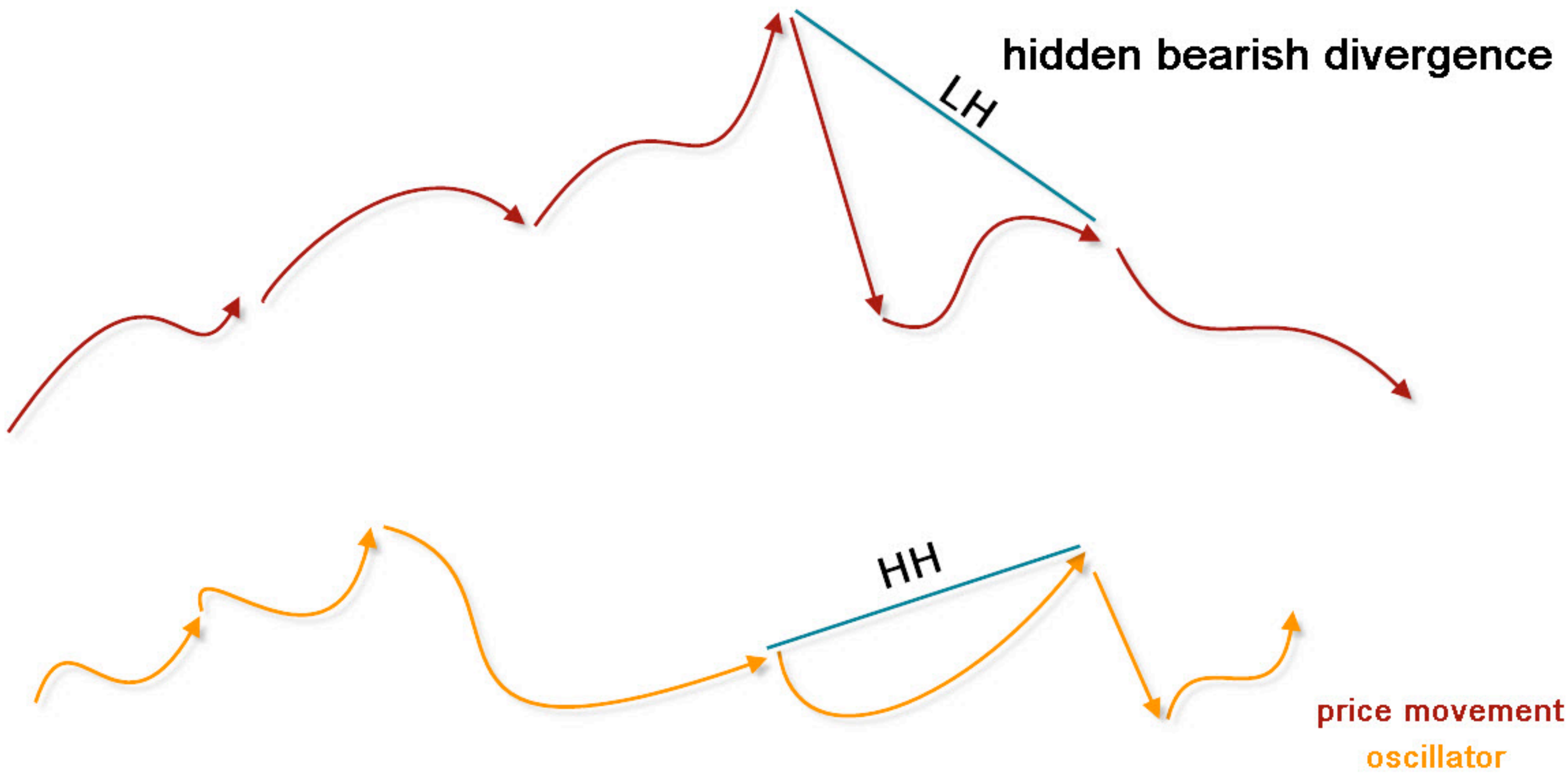


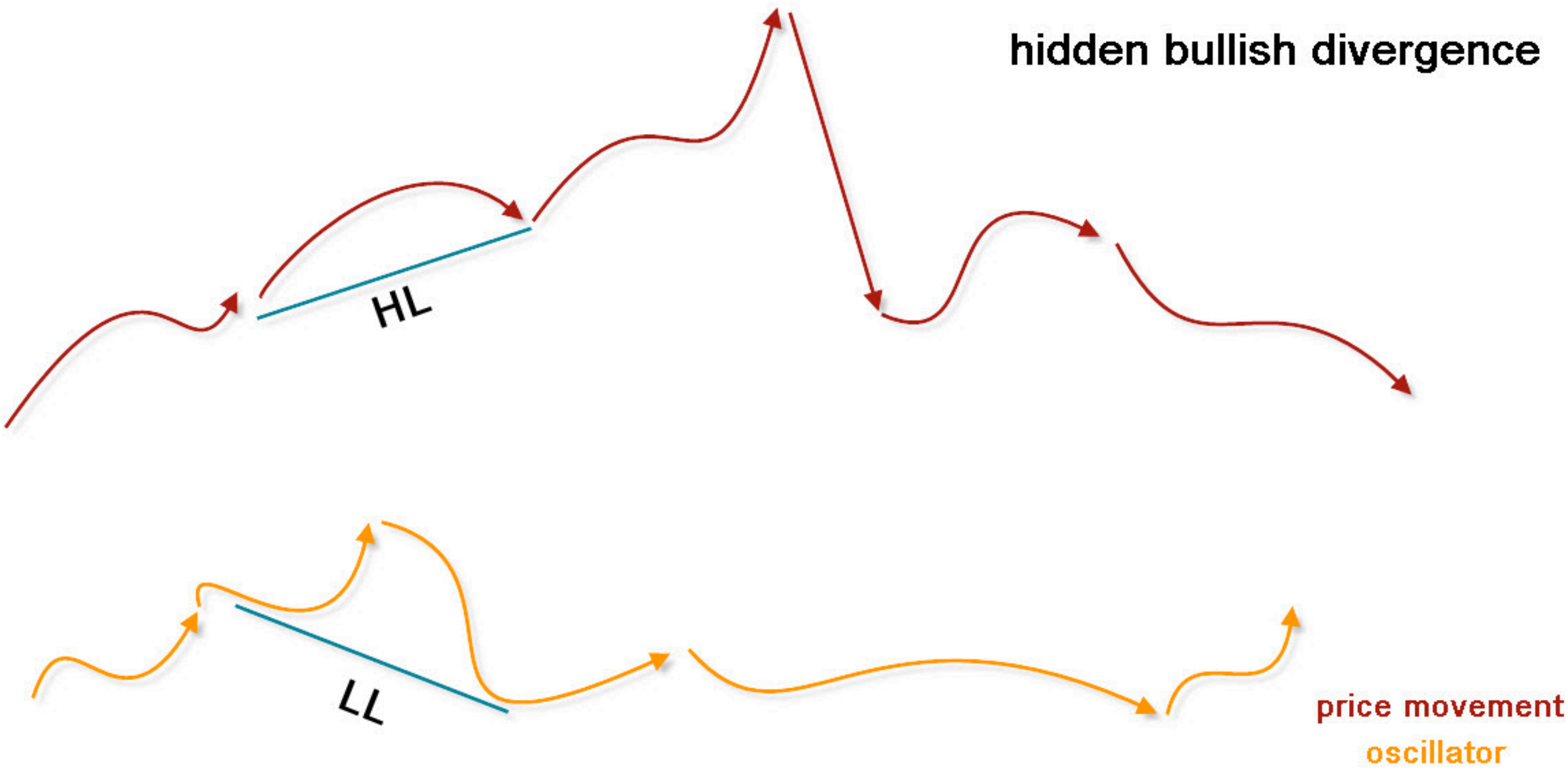


and vice versa for regular bullish divergence.
So regular divergence might predict a turn of price. When price touches our supply/demand areas we can check whether we do have some regular divergence or not. If we have a developed regular divergence, we get an additional confirmation of a possible reversal. This increases our odds in the long run.

Note : We never ever enter a trade just by watching and searching for divergences. We do only use them for additional confirmations to increase our odds. Nothing more.

While regular divergence can predict a turn of the trend, hidden divergences do exactly the opposite, they tell us that the trend is likely to continue its path.
Again we do have a bearish and a bullish concept.





price made a HL while the oscillator a LL.... but price didnt turn = hidden bullish divergence.

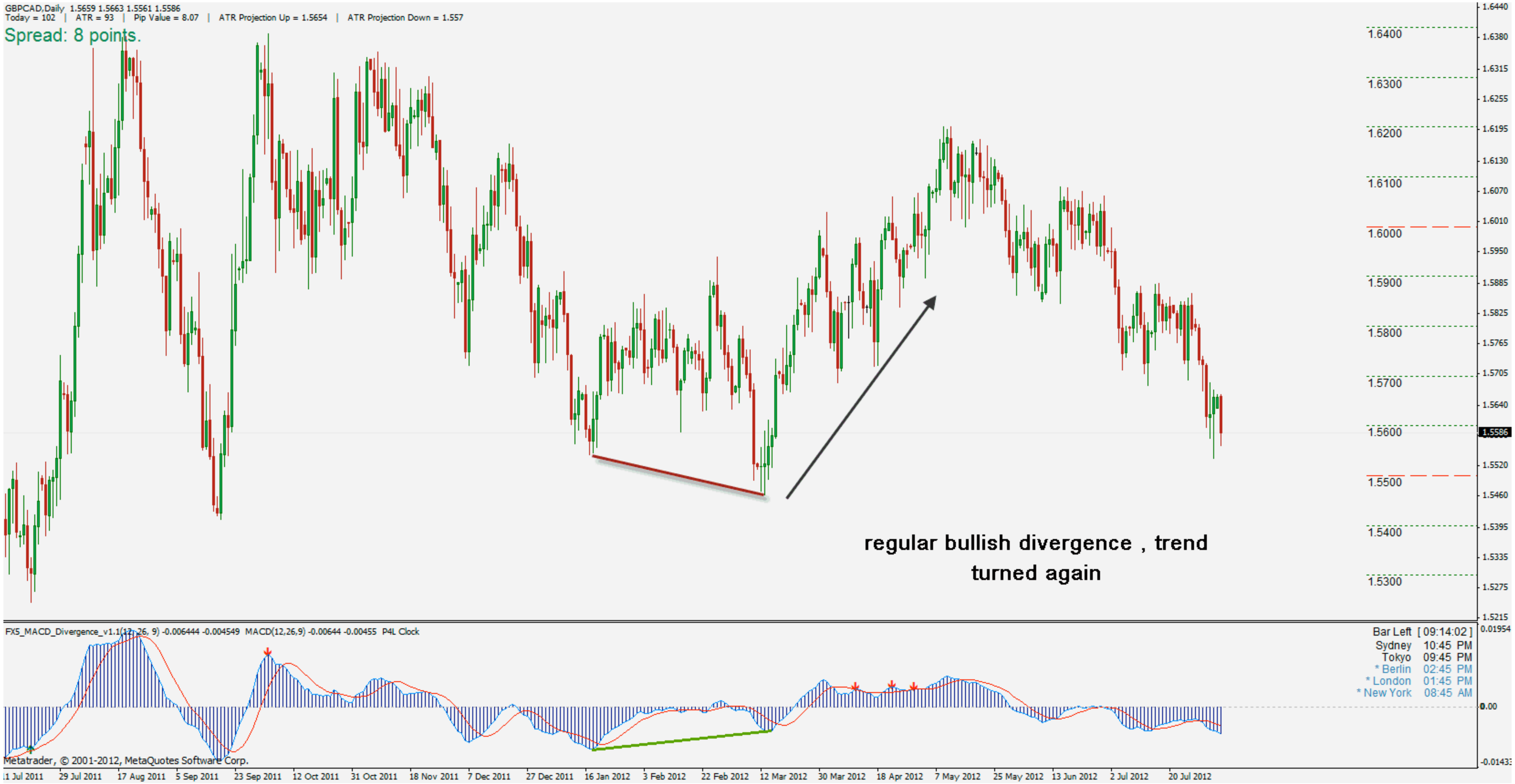
And vice versa for hidden bearish divergence.

Below i will post 3 examples for each kind of divergence. Regular bullish/bearish and hidden bullish/divergence that you get a brief feeling of how it could look like at our charts.

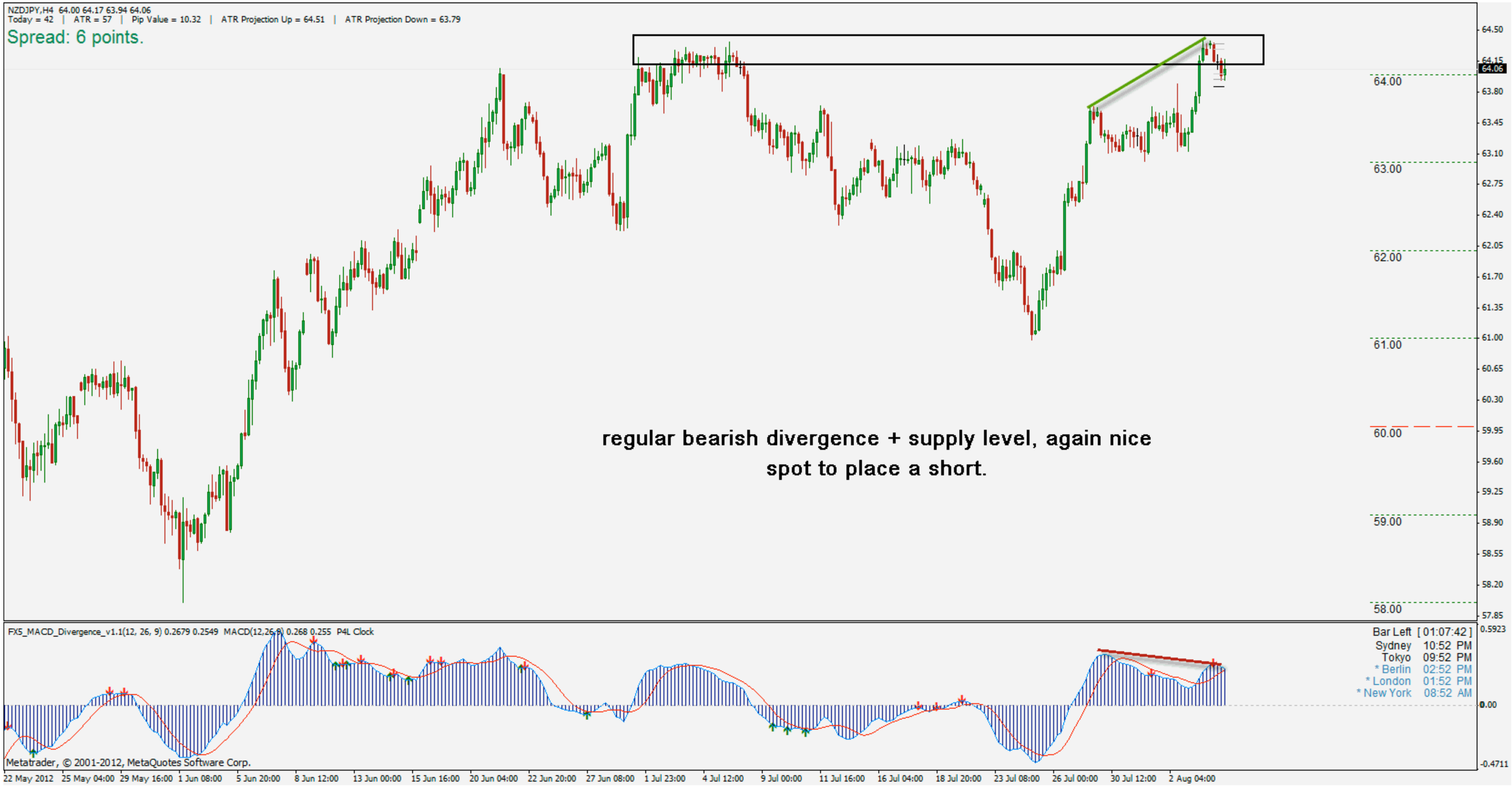
Regular bullish divergence


GBPUSD,H4 1.5566 1.5580 1.5546 1.5575
Today = 119 | ATR = 116 | Pip Value = 8.08 | ATR Projection Up = 1.5662 | ATR Projection Down = 1.5549
Spread: 3 points.
regular bullish divergence
FX5_MACD_Divergence_v1.1(12, 26, 9) -0.000730 -0.001447
Metatrader, © 2001-2012, MetaQuotes Software Corp.

same.


GBPCAD,Daily 1.5659 1.5663 1.5561 1.5586
Today = 102 | ATR = 93 | Pip Value = 8.07 | ATR Projection Up = 1.5654 | ATR Projection Down = 1.557
Spread: 8 points.
regular bullish divergence , trend turned again
FX5_MACD_Divergence_v1.1(12, 26, 9) -0.006444 -0.004549 MACD(12,26,9) -0.00644 -0.00455 P4L Clock
Bar Left [09:14:02]
Sydney 10:45 PM
Tokyo 09:45 PM
* Berlin 02:45 PM
* London 01:45 PM
* New York 08:45 AM
Metatrader, © 2001-2012, MetaQuotes Software Corp.

Regular bearish divergence


NZDJPY,H4 64.00 64.17 63.94 64.06
Today = 42 | ATR = 57 | Pip Value = 10.32 | ATR Projection Up = 64.51 | ATR Projection Down = 63.79
Spread: 6 points.
regular bearish divergence + supply level, again nice
spot to place a short.
FX5_MACD_Divergence_v1.1(12, 26, 9) 0.2679 0.2549 MACD(12,26,9) 0.268 0.255 P4L Clock
Bar Left [01:07:42]
Sydney 10:52 PM
Tokyo 09:52 PM
* Berlin 02:52 PM
* London 01:52 PM
* New York 08:52 AM
Metatrader, © 2001-2012, MetaQuotes Software Corp.


AUDUSD,Daily 1.0575 1.0575 1.0535 1.0547
Today = 40 | ATR = 73 | Pip Value = 8.07 | ATR Projection Up = 1.0608 | ATR Projection Down = 1.0502
Spread: 3 points.
supply
regular bearish divergence
+ supply. this is powerful.
FX5_MACD_Divergence_v1.1(12, 26, 9) 0.009227 0.008210 MACD(12,26,9) 0.00923 0.00821 P4L Clock
Bar Left [09:04:55]
Sydney 10:55 PM
Tokyo 09:55 PM
* Berlin 02:55 PM
* London 01:55 PM
* New York 08:55 AM
Metatrader, © 2001-2012, MetaQuotes Software Corp.

Before i go on with the examples of hidden divergences i will chip in with some thoughts on supply/demand combined with divergences.

Well as we analysed so far, supply and demand areas offer nice spots, where price is likely to turn. All in all we dont want to try to pick tops and bottoms, but we want to be in in the correct direction before everyone else is in. We want to avoid jumping onto a running train.If you missed a move, dont go in late just to try to squeeze some pips out of it. This will be very stressful and uncomfortable in the long run. Take a calm sunday evening and open your screening software.- Open the pairs you want to trade and go to the weekly timeframe. Search for the very major demand and supply areas. Mark them and place an alert. Then go down to the daily timeframe and repeat it. Go down to at least the h1 timeframe and repeat it again.

Whenever we get a signal, we switch to this certain pair. Then we do have the following line that ever and ever repeats itself and never changes :

1. Check whether the price reached a demand or a supply area.
2. Check the overall trend. If it‘s bullish, we play the demand areas only. If it‘s bearish, we do only go for the supply ones. This is how we make the trend our friend, as even mentioned at the very beginning of the book. (That‘s for the start, of course we can play both. Dont try to sell supply in an bullish trend and vice versa if you are not experienced enough yet.)
3. Now check whether we do have a developed divergence or not. If yes, we can place a trade with a stop above/below the previous top/bottom. Target is always the next demand/supply area.
4. If there‘s no divergence,we need some different confirmations of a possible price reversal. So we wait for price building a bearish or bullish price pattern at supply or demand to go in. We will discuss price patterns later on in the e-book.

If you aren‘t satisfied with the trade setup, just don‘t take it. Since trading does have a lot to do with psychology and setting up ones mind, we should always feel comfortable and good whenever entering a trade. Thing is if you enter a trade, you should already accepted the possible loss, because we always risk a fix amount of money when we enter a trade. You risk X to get Y.

Your subconscious won‘t accept the loss, if you dont feel happy with your placed trade. Sounds scarry, but that‘s the truth. You gonna say ,‘ why did i take the trade, i didnt like the setup anyway , now i lost 1 % and need to earn more than 1 % again to get breakeven‘, .

But if you say ,‘wow, major supply level and heavy divergence up there, i sell and try to get in before the herd does ,‘ then you accepted the possible loss. If prooved wrong, you will go on and search for another setup. If prooved right, you will be happy about your setup and your trade.

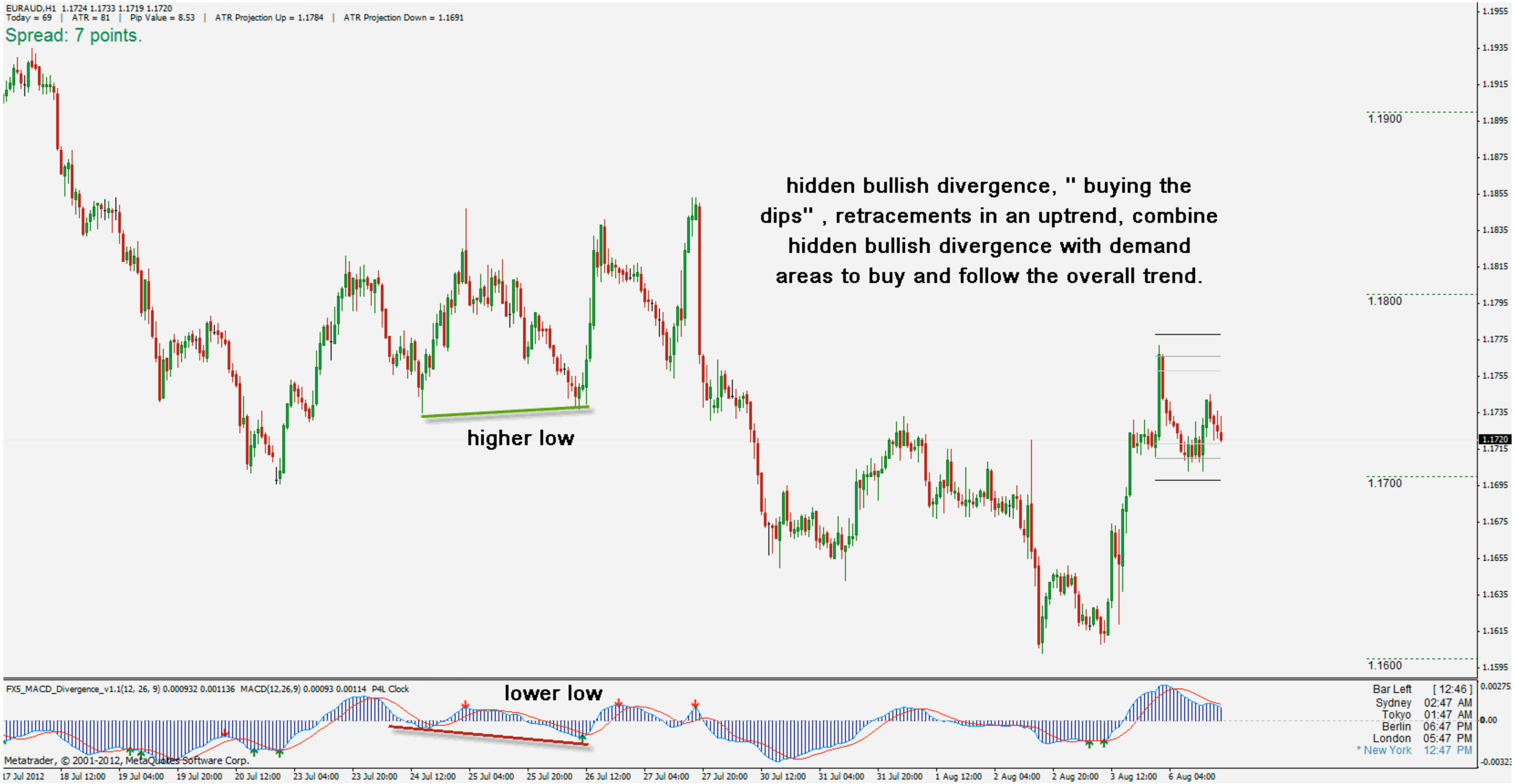
Also always be glad whenever your trade hits your target. Majority of traders blame losing trades and dont celebrate winning ones. Why ? Well because they always expect to win whenever they place a trade. Of course I also expect the trade that i place will be be a winner, but it‘s not about to be right 100 %, it‘s more about to analyze losing trades and handle losing trades in the right way. Save them. Think again about yor traded line. Add your conclusions at the next time to your next trade.

Never get on tilt ! .... Traders tend to fade out their trading rules and their moneymanagement concept if they are in a losing streak to rewin they losses as fast as possible. There will be losing streaks, doesnt matter how good you are.

Keep to your method. If you made 100-200 trades and at least half of them were winners, you are on the right track to master this business.

Also try not to burn your account in less than 100 trades (lol) , use a proper moneymanagement plan. I‘m not gonna talk about money and riskmanagement methods in this book, maybe in the next one. But the internet does offer plenty stuff of it.

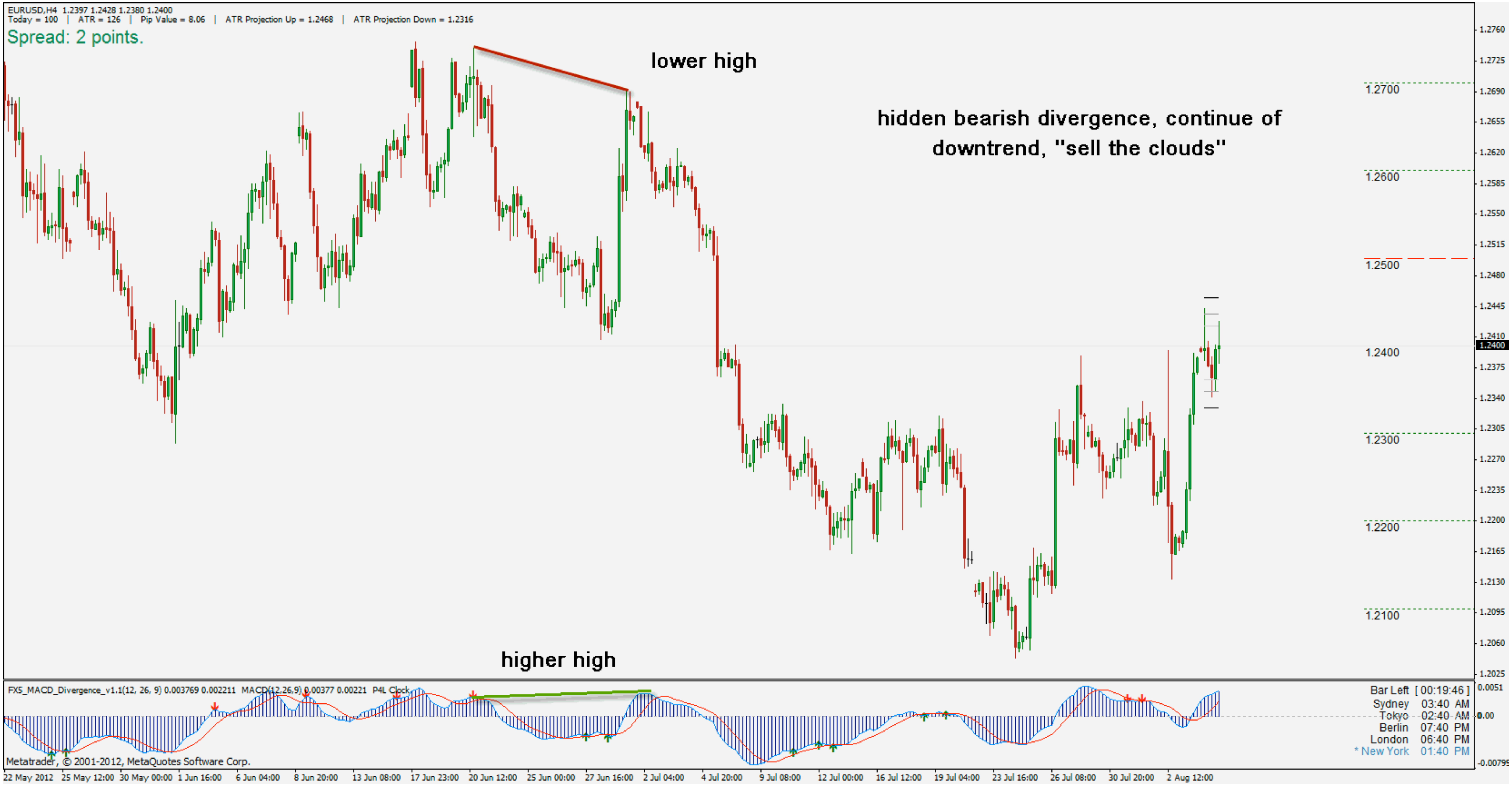
Hidden divergences



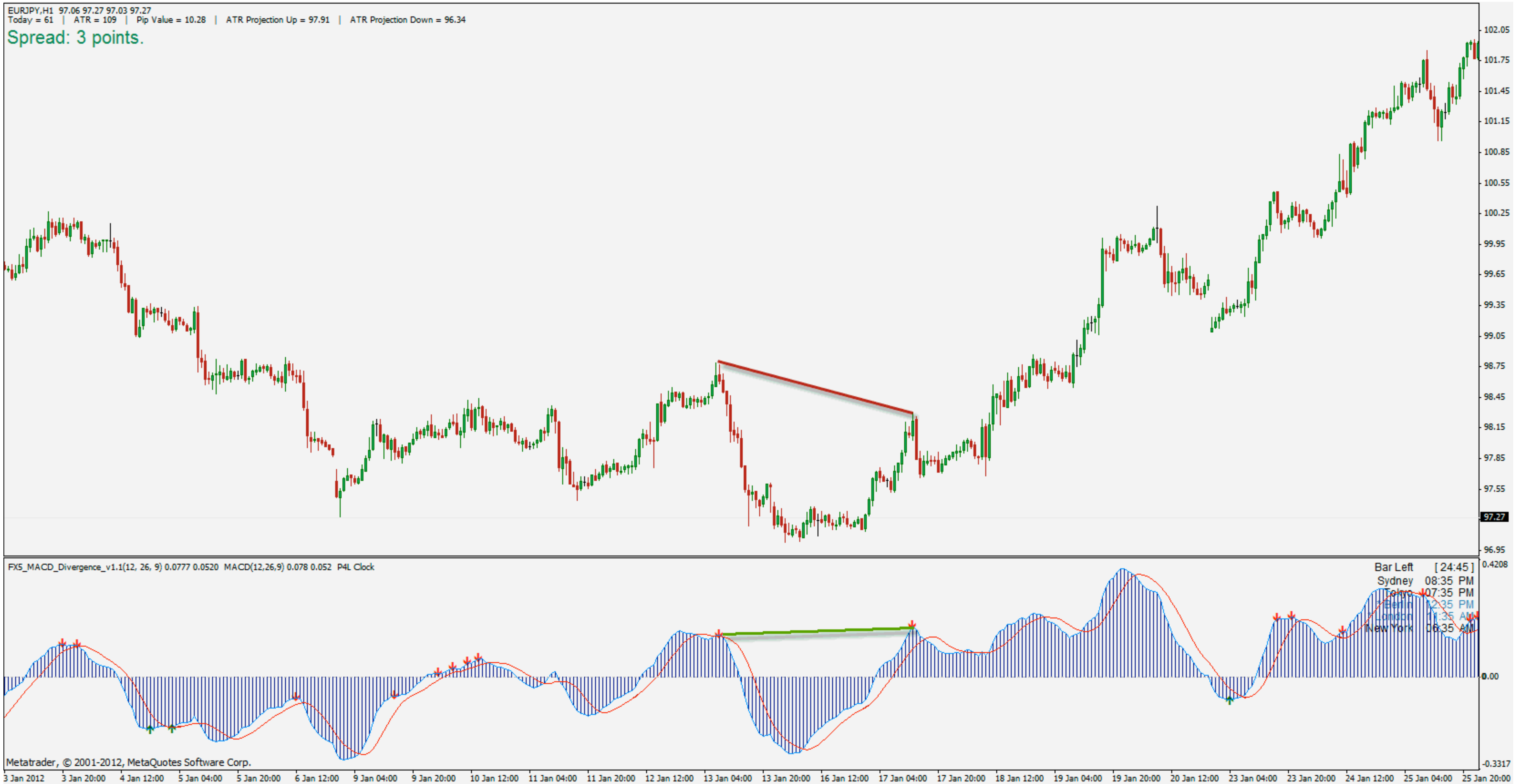
EURCAD,H4 1.2403 1.2410 1.2387 1.2401
Today = 81 | ATR = 102 | Pip Value = 8.06 | ATR Projection Up = 1.2459 | ATR Projection Down = 1.2336
Spread: 7 points.
higher low
lower low
FX5_MACD_Divergence_v1.1(12, 26, 9) 0.002210 0.000819 MACD(12,26,9) 0.00221 0.00082 P4L Clock
Metatrader, © 2001-2012, MetaQuotes Software Corp.


GBPUSD,H4 1.5581 1.5641 1.5563 1.5616
Today = 119 | ATR = 116 | Pip Value = 8.06 | ATR Projection Up = 1.5662 | ATR Projection Down = 1.5549
Spread: 3 points.
demand
bullish overall trend + demand + hidden
bullish divergence = beauty
FX5_MACD_Divergence_v1.1(12, 26, 9) -0.000441 -0.001112 MACD(12,26,9) -0.00044 -0.00111 P4L Clock
Metatrader, © 2001-2012, MetaQuotes Software Corp.
Bar Left [01:04:21]
Sydney 02:55 AM
Tokyo 01:55 AM
Berlin 06:55 PM
London 05:55 PM
* New York 12:55 PM

and the hidden bearish one



EURCAD,H4 1.2385 1.2394 1.2382 1.2391
Spread: 7 points.
two in a row
hidden bearish divergence
lower high
lower high
higher high
higher high
Metatrader, © 2001-2012, MetaQuotes Software Corp.


EURJPY,H1 97.06 97.27 97.03 97.27
Today = 61 | ATR = 109 | Pip Value = 10.28 | ATR Projection Up = 97.91 | ATR Projection Down = 96.34
Spread: 3 points.
FX5_MACD_Divergence_v1.1(12, 26, 9) 0.0777 0.0520 MACD(12,26,9) 0.078 0.052 P4L Clock
Bar Left [24:45]
Sydney 08:35 PM
Metatrader, © 2001-2012, MetaQuotes Software Corp.

Price patterns

So what did you learn so far about the trading concept explained in this e-book?

You learned

- how to identify a major trend

- how to trade breakouts

- how to spot supply and demand areas and how to include them into our trading at all

- where price makes its decisions and where price is likely to turn again next

- how divergence can give us some additional confirmation for our trades whenever price returns to a supply or demand area

This is quiet a nice tool box so far to get profitable in this business.

All in all i want to share some more thoughts on increasing our succesrate using several odd enhancers (Sam Seiden made up this topic) and how to include special price patterns at supply/demand areas for entering a trade.

What are price patterns ?

Well price patterns are structures formed by the market whenever price is moving. Somehow they do have a predictive value, because they tend to repeat again and again.
So what does one single bar reflect at our charts ? It does reflect the interaction between buyers and sellers. Means that the bar is formed by the herd instinct (mass human behaviour).
All in all we do have two different kinds of price patterns :

- Reversal price patterns
- Continuation price patterns

(reversal and continuation ? .... sounds like our divergences, doesnt it?)

So again how to include them into our trading ?
If price reaches one of our levels, we wait and see what price builds. If theres a reversal pattern, we go in. If theres also developed divergence that provides our possible trade and do we trade in the majors trend direction, we thank Mr.Market and go in.

We can‘t get more confirmation using this strategy than having the major trend behind us, developed divergence, a major supply/demand area and a price pattern anticipating the same direction as the other indicators do.

I mainly search for the following few whenever price reaches one of my supply/demand areas

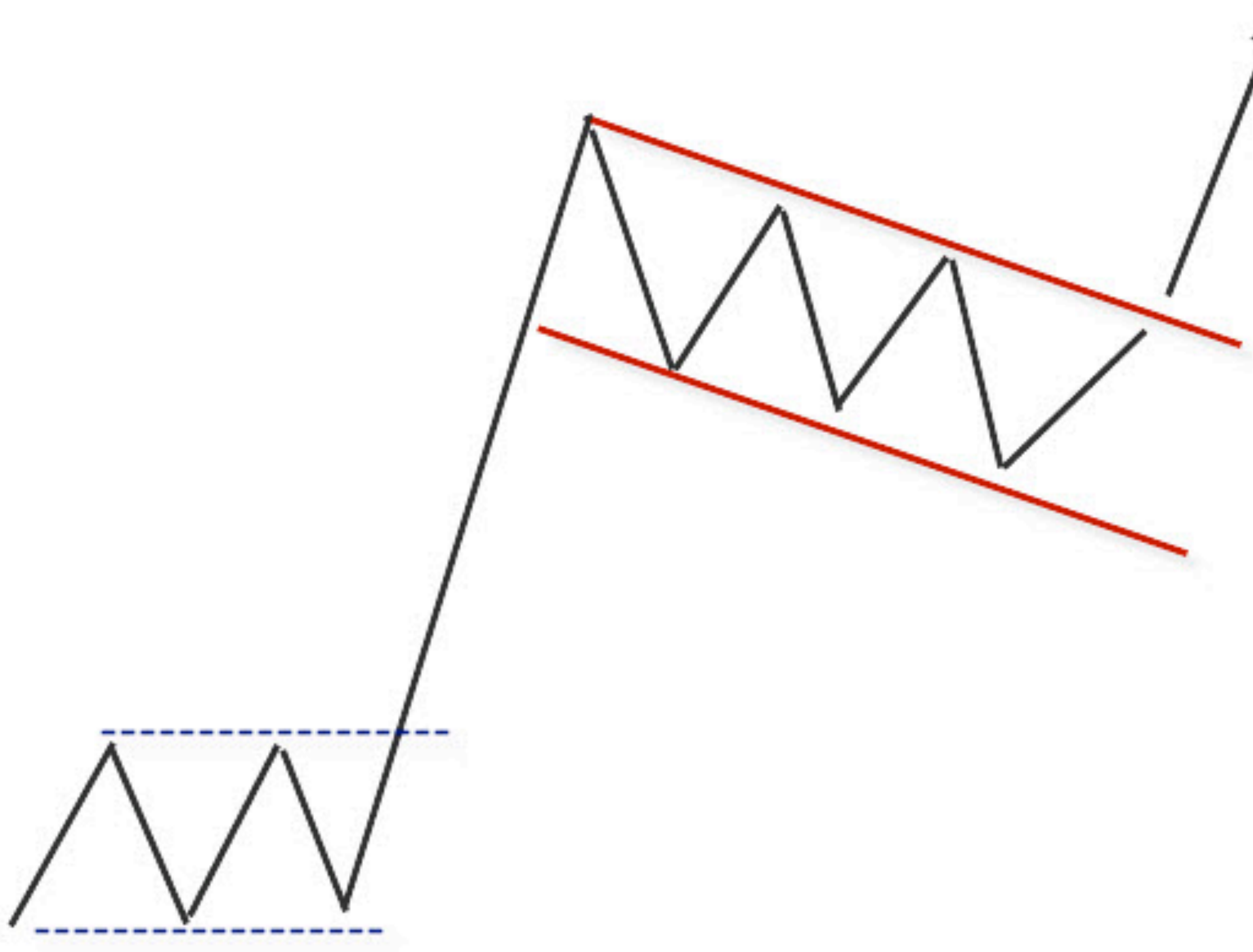
- bullish and bearish flags
- bearish and bullish engulfing outside bars
- pinbars

I will explain each single price pattern at the following pages. After a short explanation i will give you some chart examples, since charts tell the story, don‘t they ? ;-)

Note : The more of the mentioned indicators fit the setup, the higher will be the successrate.

On the next page we will go on with the next chapter, bullish and bearish flag patterns.

The bullish flag

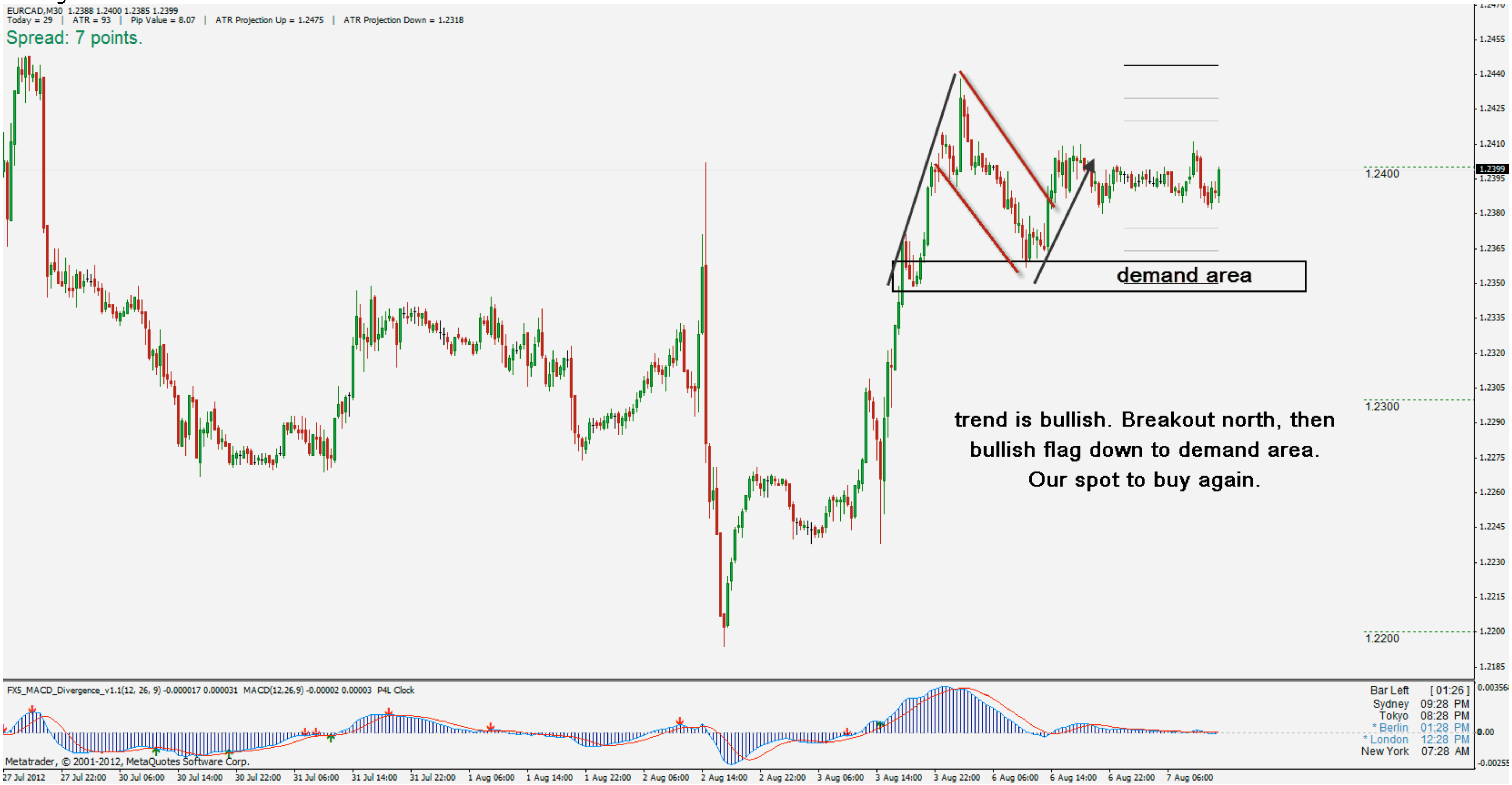


bullish flag in an uptrend

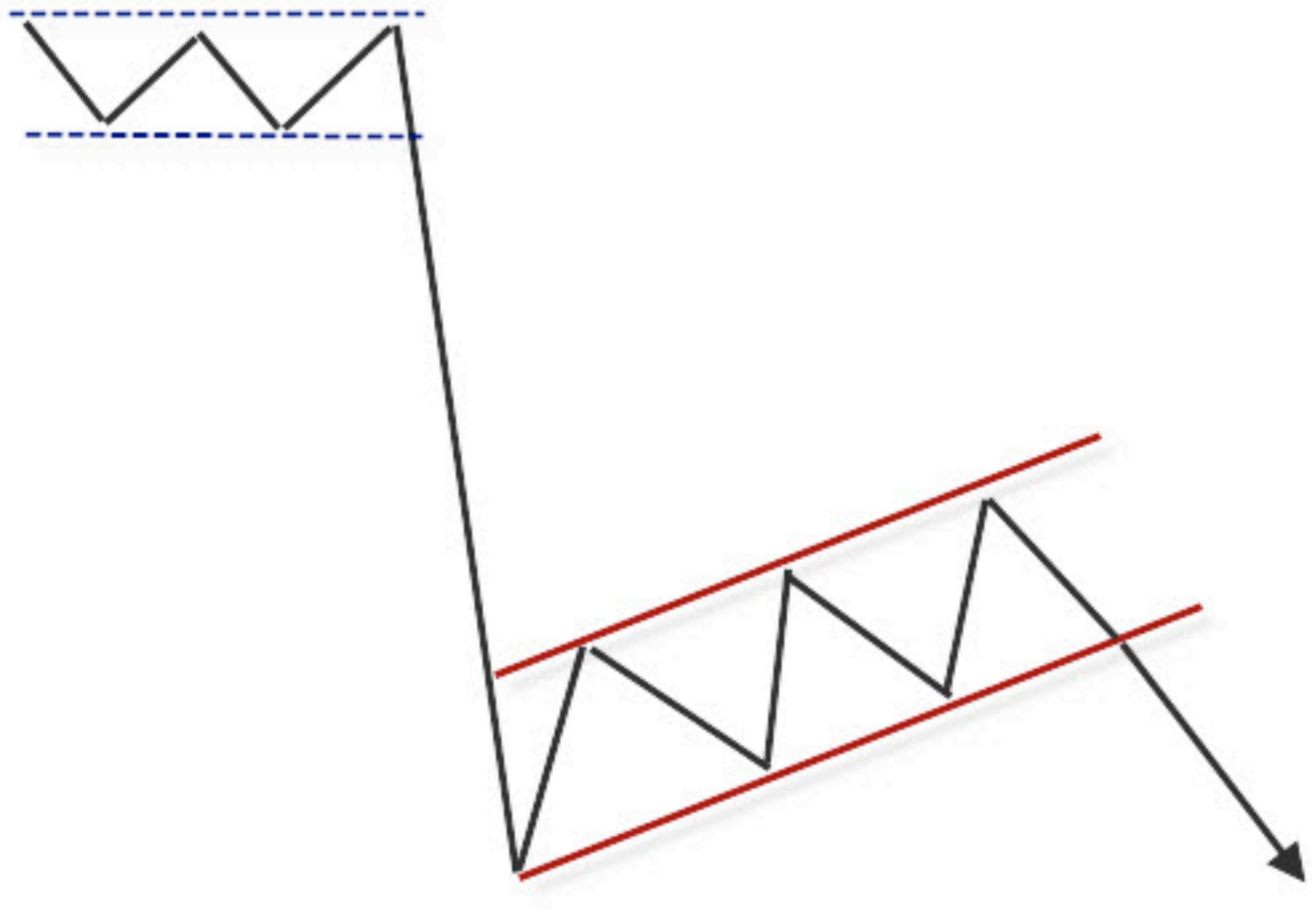
Bias :
A bullish flag is considered a bullish signal. Usually it indicates, that the current uptrend will continue.

Description :A bullish flag follows a steep/vertical rise in price. It consists of two parallel lines that form a rectangle. See picture above in red.It mostly has a slight downtrend, means that the two lines descend a bit.

So we are in an uptrend. Means we mainly search for demand areas. Perfect setup would be a bullish flag falling into a demand area to buy again. Divergence would be an additional indicator to use.



The bearish flag

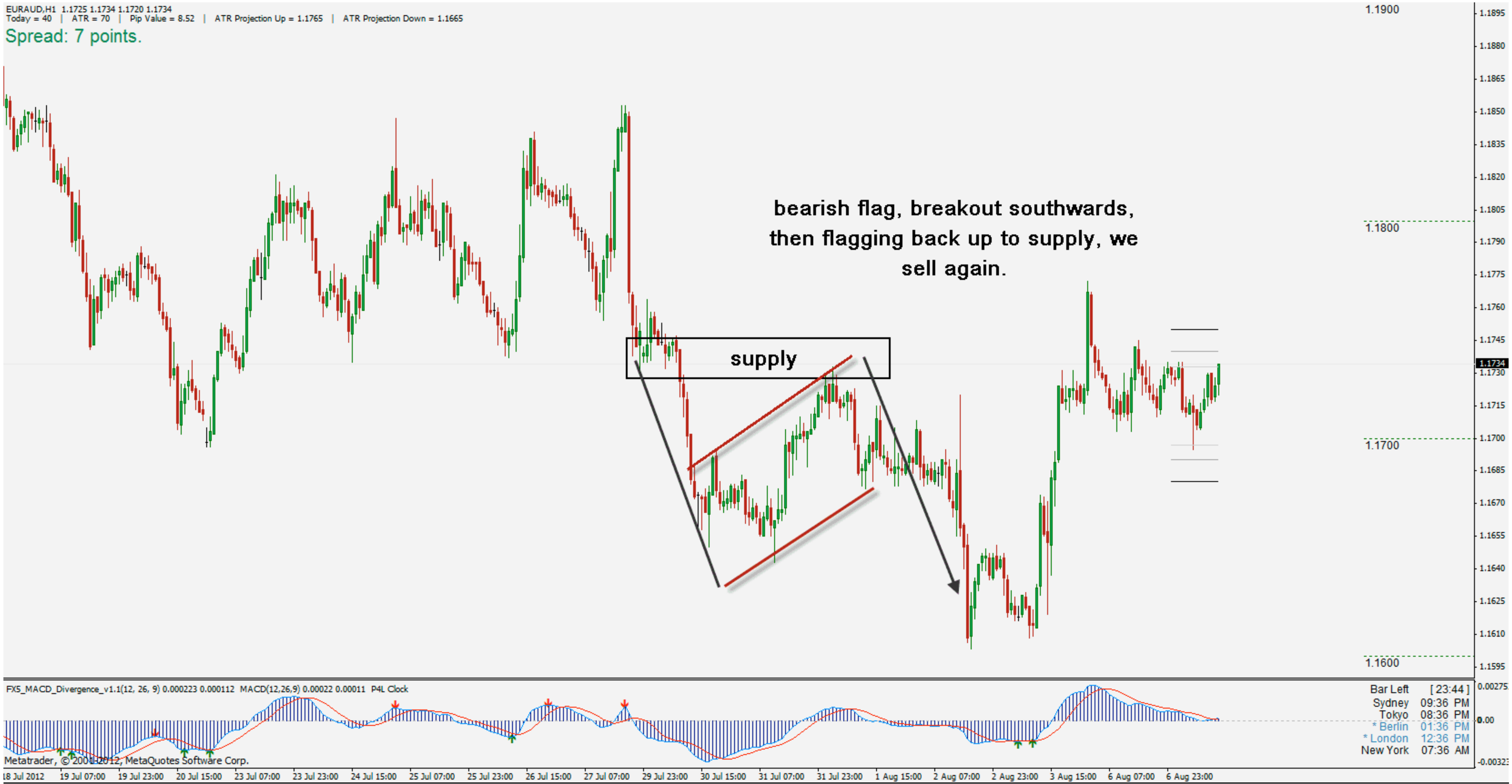


bearish flag in a downtrend

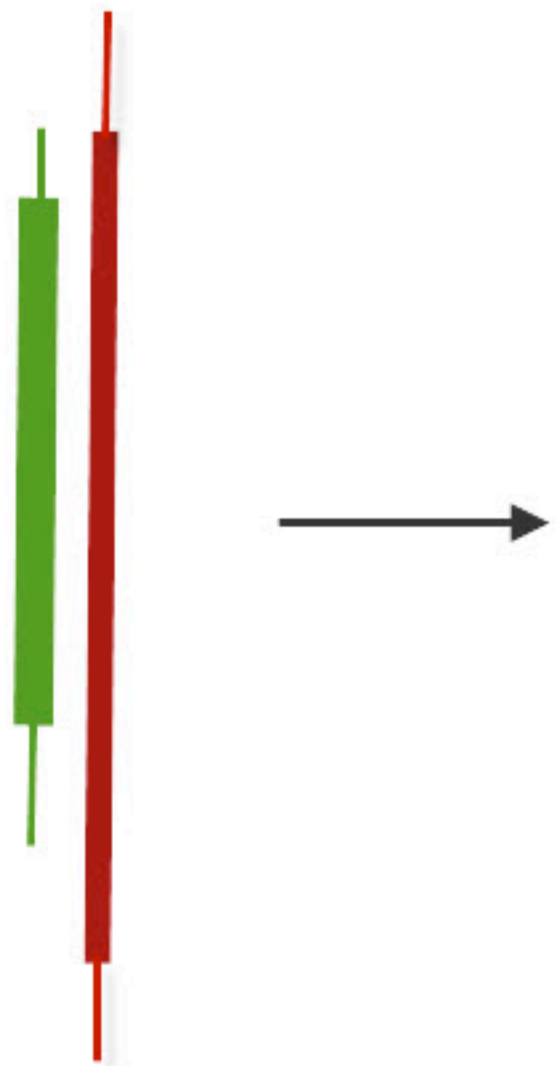
Bias :
A bearish flag is considered a bearish signal. Usually it indicates, that the current downtrend will continue.

Description :
A bearish flag follows a steep/vertical fall in price. It consists of two parallel lines that form a rectangle. See picture above in red.
It mostly hast a slight uptrend, means that the two lines ascend a bit.
So we are in an downtrend. So we search for a supply area. Perfect setup would be a bearish flag rising into a supply area to sell again.

Divergence would be an additional indicator to use here as well of course.



Bearish engulfing outside bar

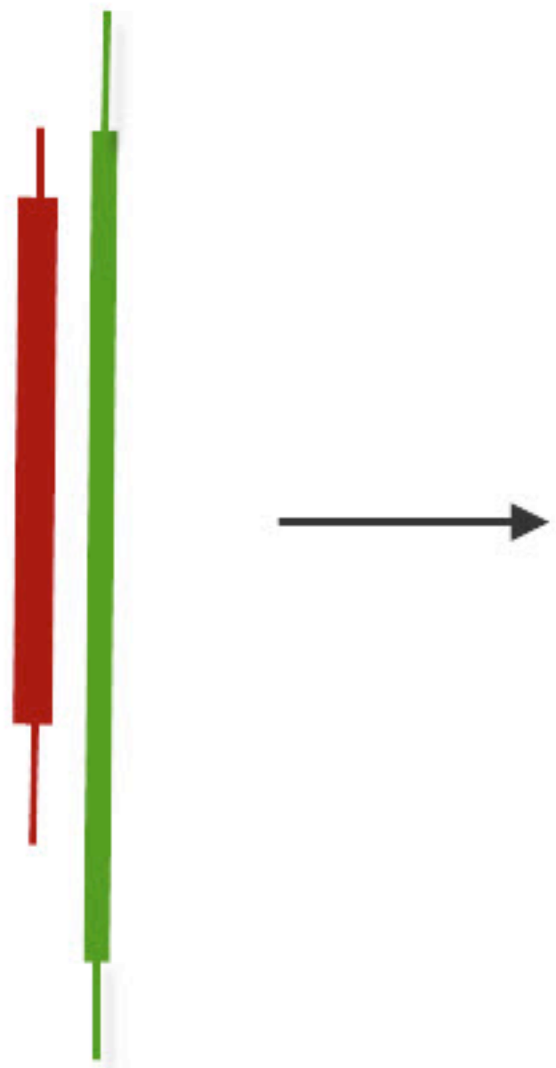


Bearish engulfing outside bar.

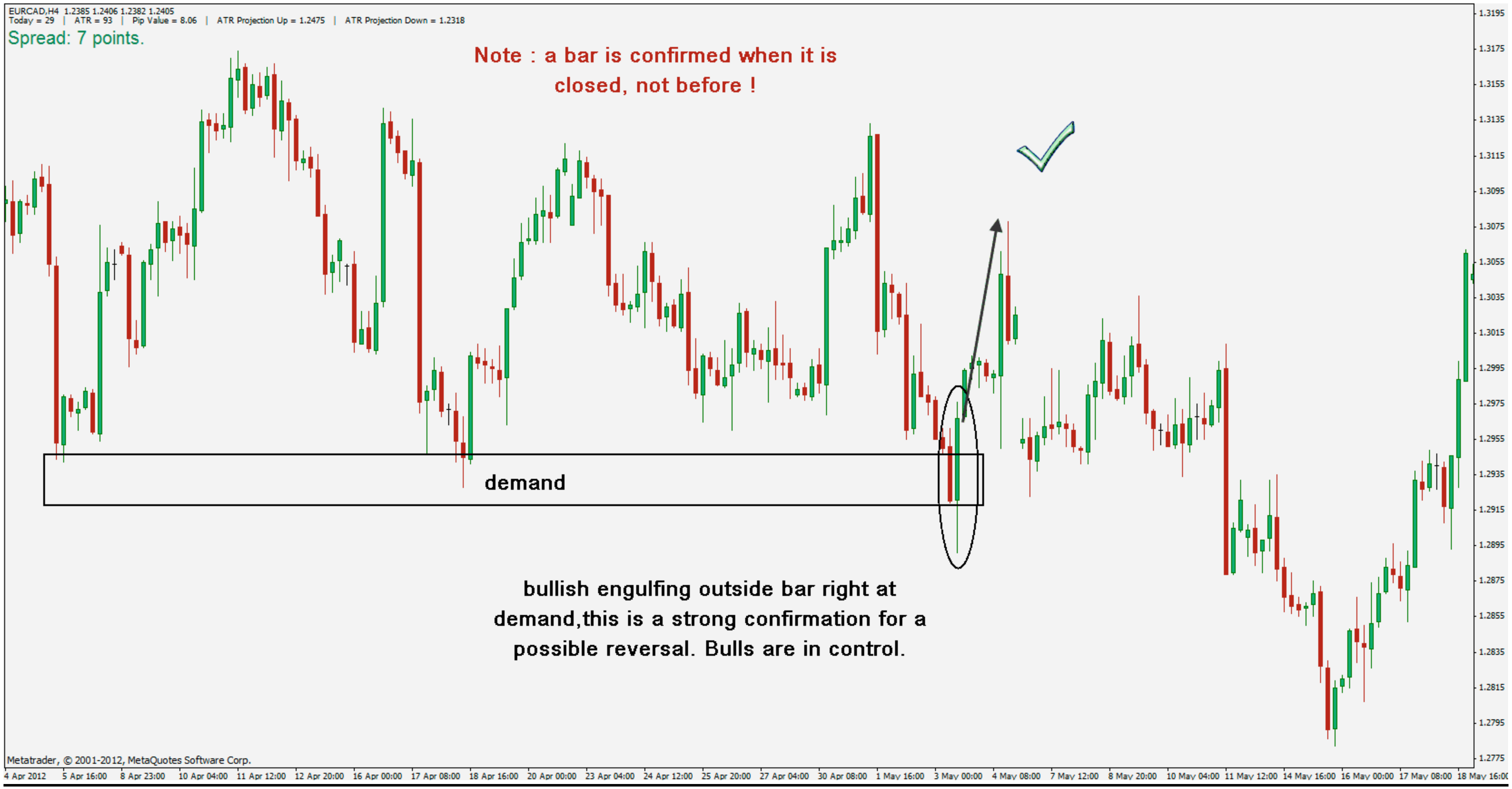
a bearish engulfing outsidebar is a bearish bar, that has a range exceeding the range of the previous bar and closing below the previous bars low while it exceeded the range of the previous bar to the upside.


EURCAD,H4 1.2385 1.2407 1.2382 1.2405
Today = 29 | ATR = 93 | Pip Value = 8.06 | ATR Projection Up = 1.2475 | ATR Projection Down = 1.2318
Spread: 7 points.
supply
bearish engulfing outside bar right at supply. We sell.
Metatrader, © 2001-2012, MetaQuotes Software Corp.

Bullish engulfing outside bar.



a bullish engulfing outsidebar is a bullish bar, that has a range exceeding the range of the previous bar and closing above the previous bars top while it exceeded the range of the previous bar to the downside.


EURCAD,H4 1.2385 1.2406 1.2382 1.2405
Today = 29 | ATR = 93 | Pip Value = 8.06 | ATR Projection Up = 1.2475 | ATR Projection Down = 1.2318
Spread: 7 points.
Note : a bar is confirmed when it is closed, not before !
demand
bullish engulfing outside bar right at demand,this is a strong confirmation for a possible reversal. Bulls are in control.
Metatrader, © 2001-2012, MetaQuotes Software Corp.
1.3195
1.3175
1.3155
1.3135
1.3115
1.3095
1.3075
1.3055
1.3035
1.3015
1.2995
1.2975
1.2955
1.2935
1.2915
1.2895
1.2875
1.2855
1.2835
1.2815
1.2795
1.2775
4 Apr 2012
5 Apr 16:00
8 Apr 23:00
10 Apr 04:00
11 Apr 12:00
12 Apr 20:00
16 Apr 00:00
17 Apr 08:00
18 Apr 16:00
20 Apr 00:00
23 Apr 04:00
24 Apr 12:00
25 Apr 20:00
27 Apr 04:00
30 Apr 08:00
1 May 16:00
3 May 00:00
4 May 08:00
7 May 12:00
8 May 20:00
10 May 04:00
11 May 12:00
14 May 16:00
16 May 00:00
17 May 08:00
18 May 16:00

Pinbars

In my opinion the pinbar reversal pattern is one of the most powerful candlestick reversal patterns out there.
If you identify correctly and take the major ones they can produce consistently profits.
This single bar reversal pattern is able to earn a lot of cash for you.
And that`s why most traders love it, because it is a single bar pattern, easy to spot, easy to trade.
Often pinbars develop at swing highs and lows, this is interesting if we combine it with demand and supply areas to catch the reversal points.

Again we can combine it with divergence of course to squeeze all odds out of it.

What is a pinbar at all ?

A pinbar is a candlestick pattern where the body of the candlestick is pretty small and the wick pretty long.
Again we do have two different types :

A bearish pinbar and a bullish pinbar.

A bullish pinbar is formed by a small body at the top and a large wick to the bottom, that indicates that price was sold down and bought back up again within the same period of time.
To have a very strong bullish pinbar, the close is above the open and beow the open for bearish pinbar.

There are a lot of possible forms of the bar itself.
Sometimes the body differs from others, and so does the wick.

But all in all the longer the wick and the higher the close is away from the open the stronger our pinbar gets.

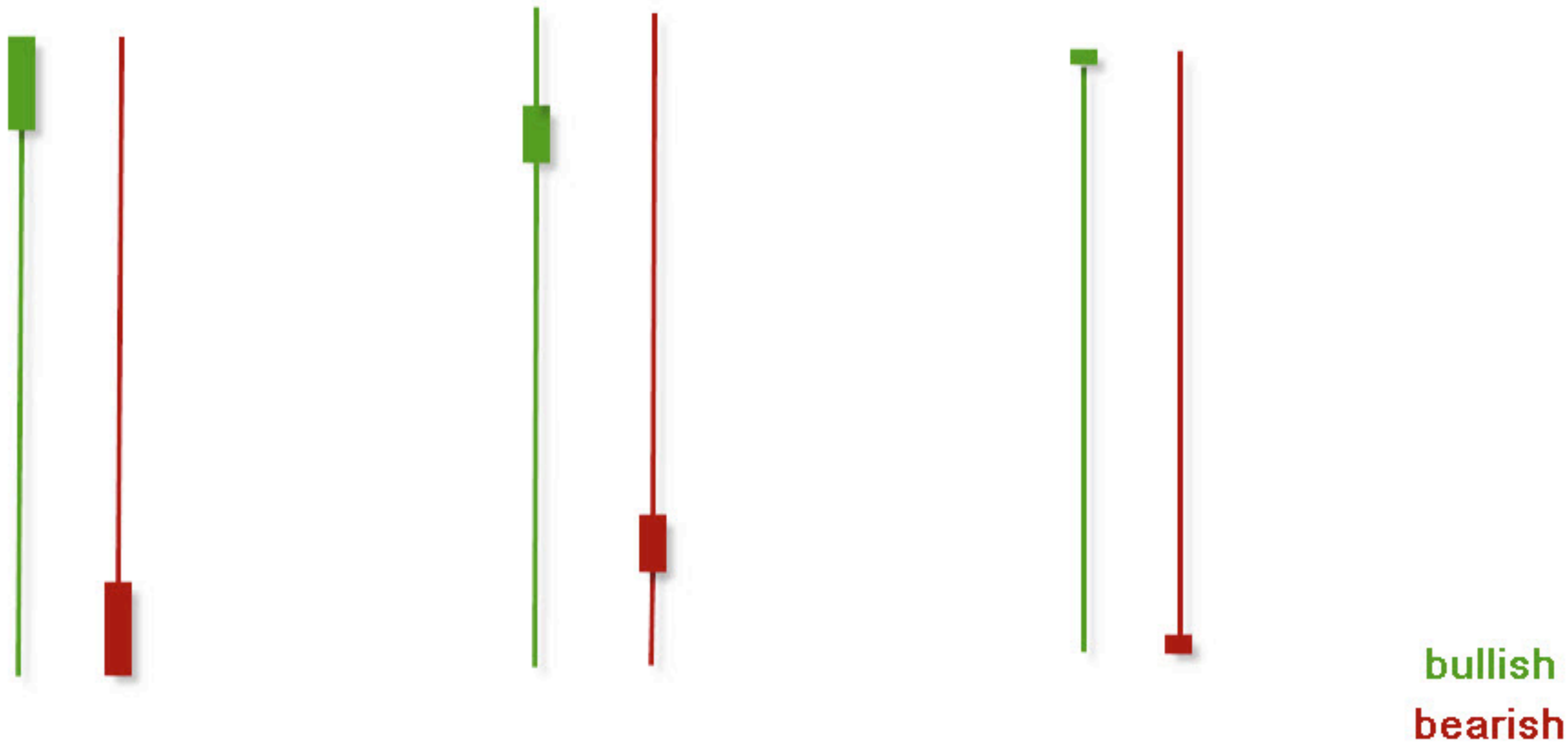
It is important to pick the pinbars that form at interesting areas for us.
Since this e-book is about supply and demand moving price we search for pinbars that develop next to or right at supply / demand areas.

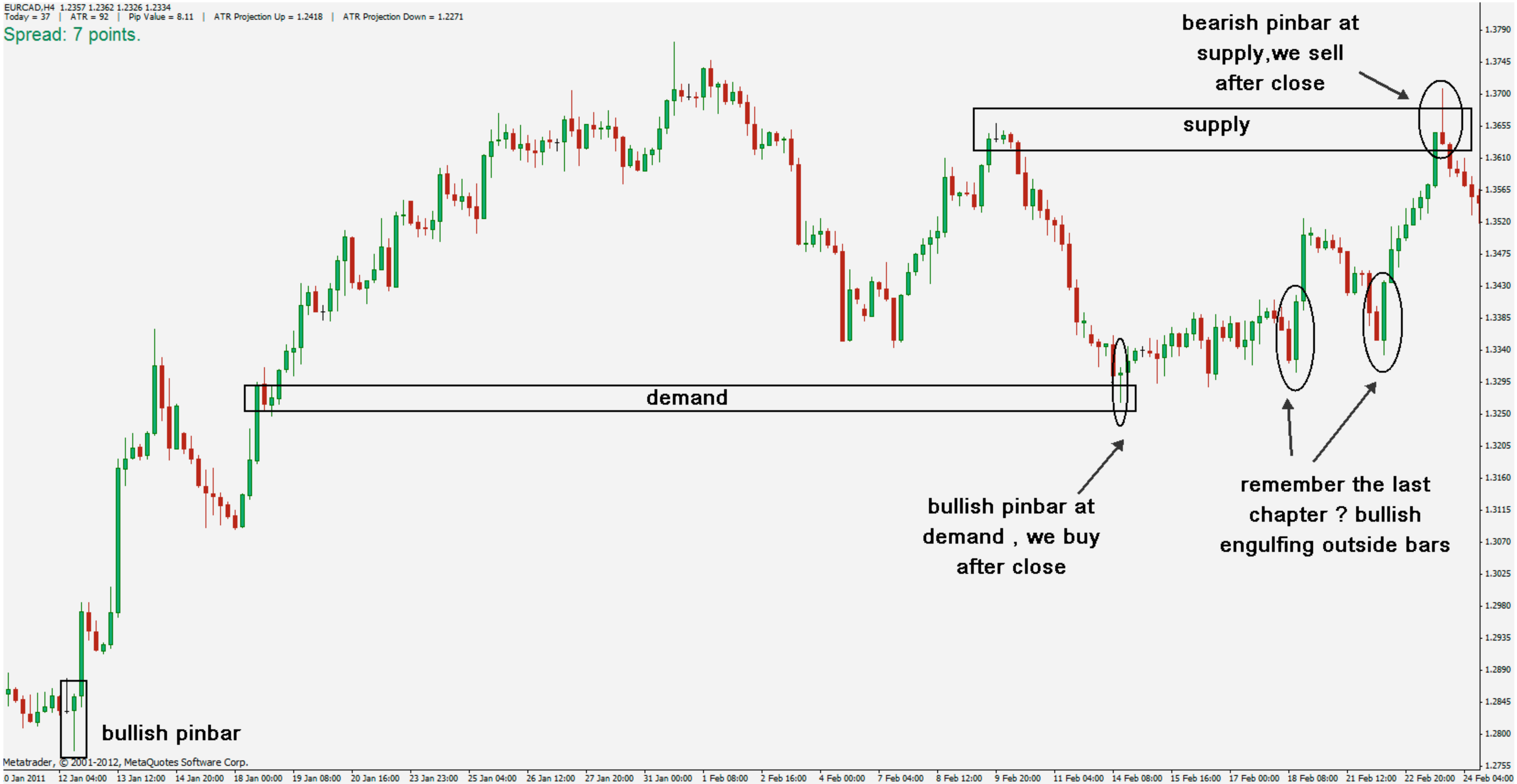
In the following examples i circled some pinbars for you,please note that not all of them are right at demand or supply areas.
This is just to show you how they can look like.

Usually we place the stop above/below the pinbar and aim for the next supply/demand area for a possible target, as even discussed in the e-book.

Now let the charts tell the story..... I dont want that you have to read too much, sorry for that ;)

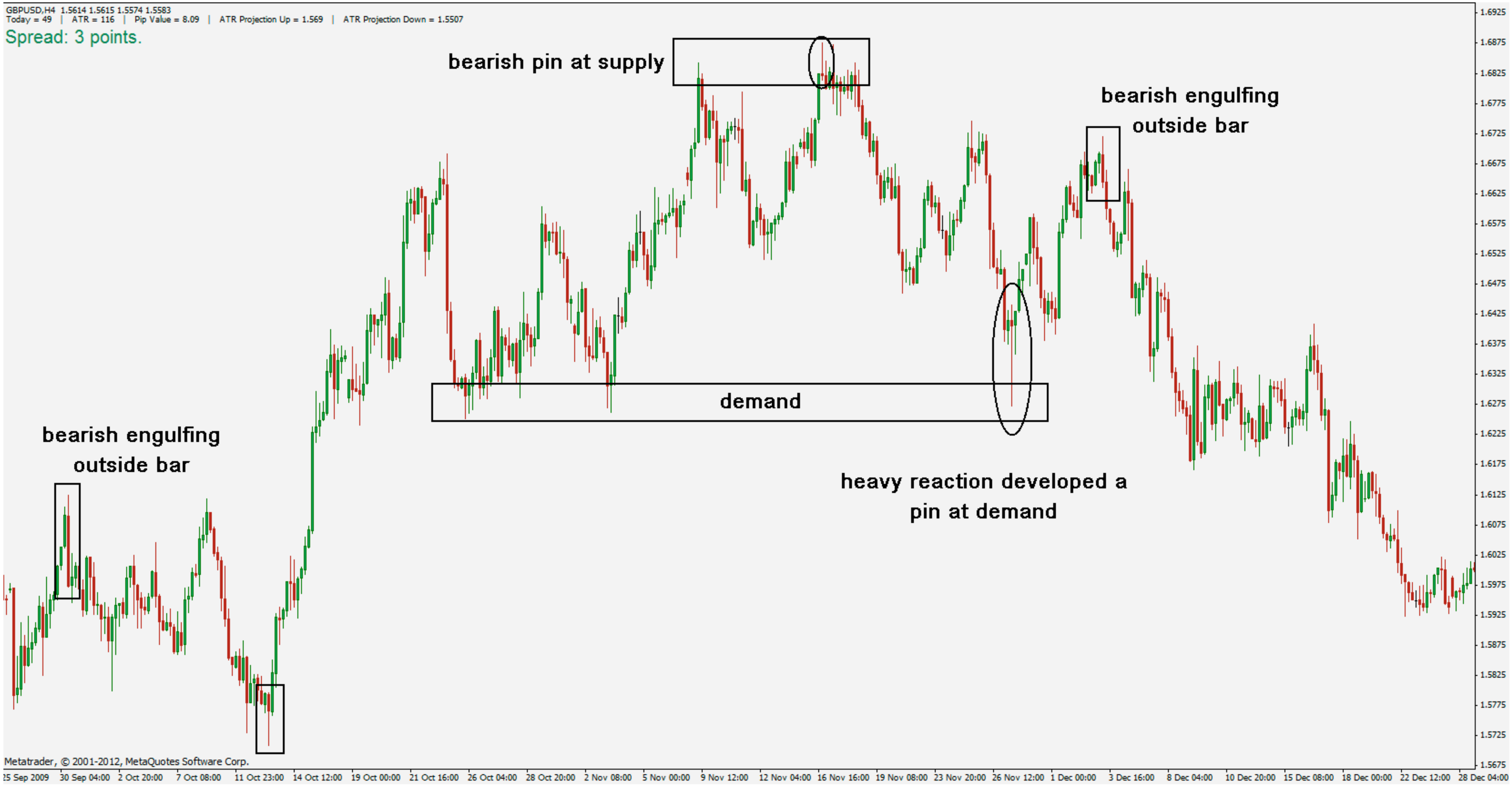
pinbars



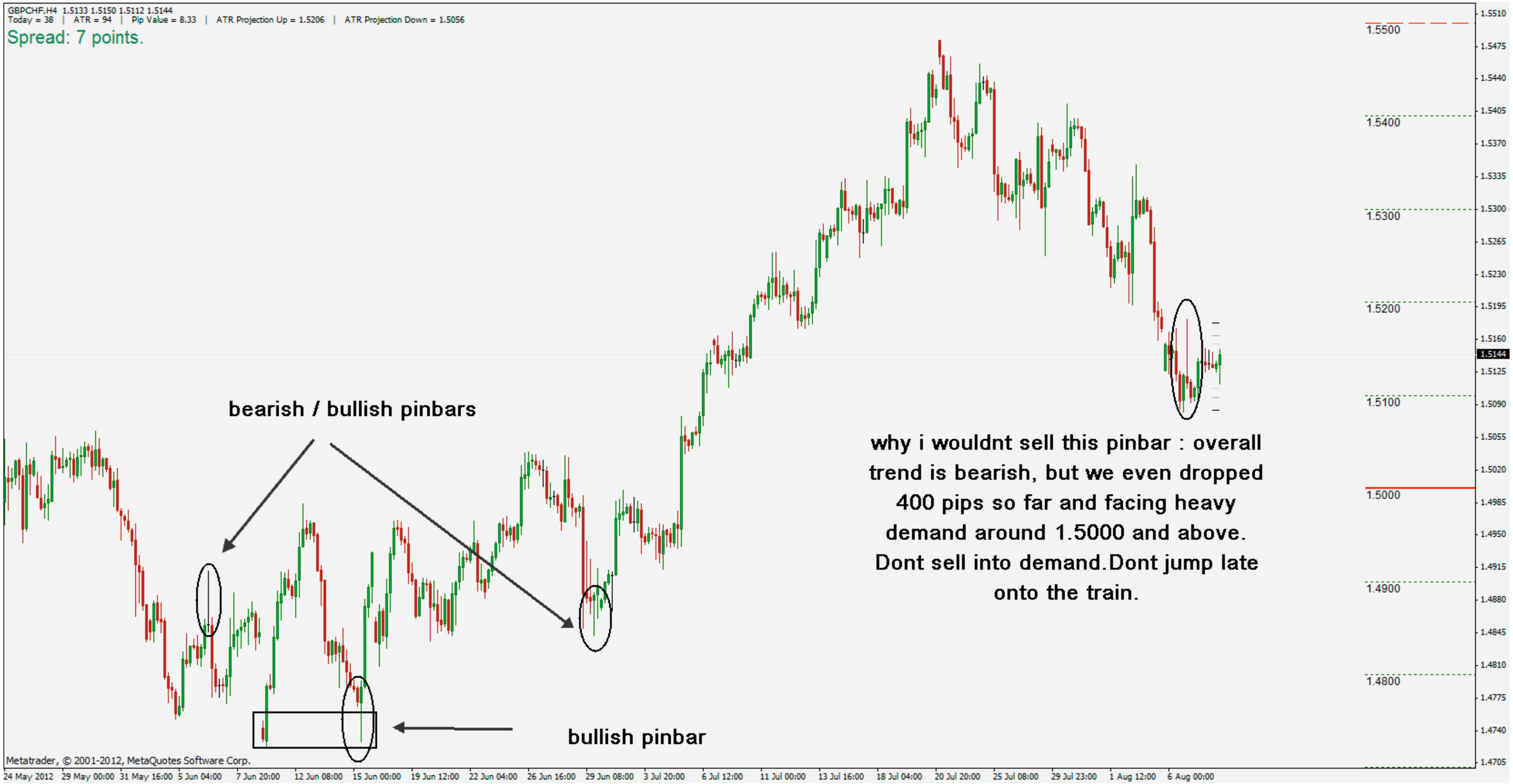


EURCAD,H4 1.2357 1.2362 1.2326 1.2334
Today = 37 | ATR = 92 | Pip Value = 8.11 | ATR Projection Up = 1.2418 | ATR Projection Down = 1.2271
Spread: 7 points.
bearish pinbar at supply,we sell after close
supply
demand
bullish pinbar at demand , we buy after close
remember the last chapter ? bullish engulfing outside bars
bullish pinbar
Metatrader, © 2001-2012, MetaQuotes Software Corp.


EURGBP,Weekly 0.7925 0.7962 0.7916 0.7934
Today = 20 | ATR = 48 | Pip Value = 12.6 | ATR Projection Up = 0.7974 | ATR Projection Down = 0.7898
Spread: 3 points.
consider that this is a weekly chart
Metatrader, © 2001-2012, MetaQuotes Software Corp.
0.7934



GBPUSD,H4 1.5614 1.5615 1.5574 1.5583
Today = 49 | ATR = 116 | Pip Value = 8.09 | ATR Projection Up = 1.569 | ATR Projection Down = 1.5507
Spread: 3 points.
bearish pin at supply
bearish engulfing outside bar
demand
heavy reaction developed a pin at demand
bearish engulfing outside bar
Metatrader, © 2001-2012, MetaQuotes Software Corp.


GBPCHF,H4 1.5133 1.5150 1.5112 1.5144
Today = 38 | ATR = 94 | Pip Value = 8.33 | ATR Projection Up = 1.5206 | ATR Projection Down = 1.5056
Spread: 7 points.
bearish / bullish pinbars
bullish pinbar
why i wouldnt sell this pinbar : overall trend is bearish, but we even dropped 400 pips so far and facing heavy demand around 1.5000 and above. Dont sell into demand. Dont jump late onto the train.
1.5500
1.5400
1.5300
1.5200
1.5100
1.5000
1.4900
1.4800
Metatrader, © 2001-2012, MetaQuotes Software Corp.
24 May 2012
29 May 00:00
31 May 16:00
5 Jun 04:00
7 Jun 20:00
12 Jun 08:00
15 Jun 00:00
19 Jun 12:00
22 Jun 04:00
26 Jun 16:00
29 Jun 08:00
3 Jul 20:00
6 Jul 12:00
11 Jul 00:00
13 Jul 16:00
18 Jul 04:00
20 Jul 20:00
25 Jul 08:00
29 Jul 23:00
1 Aug 12:00
6 Aug 00:00

Well, here we are. Nearly 100 pages talking about this kind of strategy and price movements at all.
This stuff should provide your further trading career. I tried to explain and show you how i trade, how price moves, why price moves and where we can get nice entries to be profitable in the long run.

Please note : It is all about supply and demand in trading. There‘s no need to add price patterns,divergence, et cetera to your trading decisions. That‘s the way i do it and it works.
I know a couple of traders that only use supply and demand areas to place their trades and they earn a lot of pips as well.
Also it‘s not about to be 100 % correct , it‘s more about being profitable in the long run.
There will always be losers, losing streaks and bad trades.
Analyse the bad trades, adapt them and make it better the very next time.
Also remember that everything repeats in the markets.
We do have the same patterns,the same moves, again and again. Just be patient, once you are in, let the trade run-- there‘s an idea behind each trade, so dont increase your stop or try to hedge the position--- you‘ll get into trouble.

After talking about the

- major trend
- poles and breakouts
- supply & demand at all
- divergence
- price patterns

we are now ready to analyze the charts at a whole and searching for awesome trade setups.
After reading this e-book you should be able to identify where buyers exceeded sellers and vice versa, where buyers are likely to buy again and sellers might get out of breath.
You should be able to explain why price moved at some point, you should be able to say whether the overall trend is bullish or bearish, whether we do have a developed regular bullish divergence or hidden bearish divergence.
Also you should know how bearish engulfing outside bars look like and work and how to trade them, and so with pinbars.

If yes, go on reading and look at the charts i will share with you at the following pages.
There we will try to include all of our tools to pick the very best trade setups and explain why we pick it, where to place a stop and where a target.
Also i will post setups that look awesome at the first glance, but might get horrible once taken.

Very important to note :

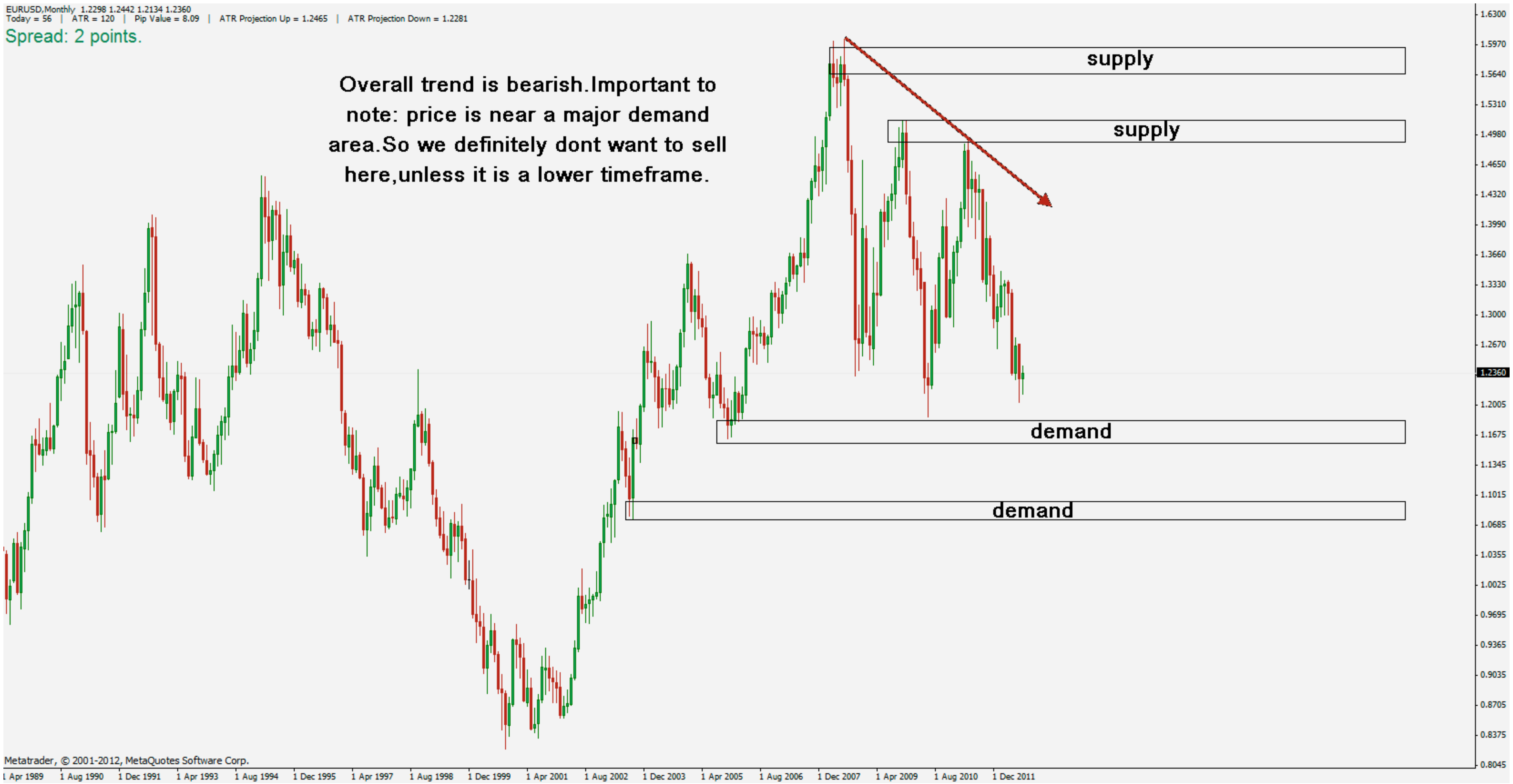
The basis of my strategy are supply and demand areas. Without any specific supply or demand area we dont need to check for further indicators.
If we have a supply or demand area we try to find some of the indicators mentioned in this book to increase our odds of a successful trade.
The more indicators provide our trading idea, the more likely our target will be hit..... logic ? isn‘t it ?
Also i want to excuse myself for not including the odd enhancers from Sam Seiden in this book,as requested from so many of you.
First of all it‘s Sam‘s stuff, 2nd this e-book is about how i use to trade and how price moves at all and 3rd this would bust the books intensity.

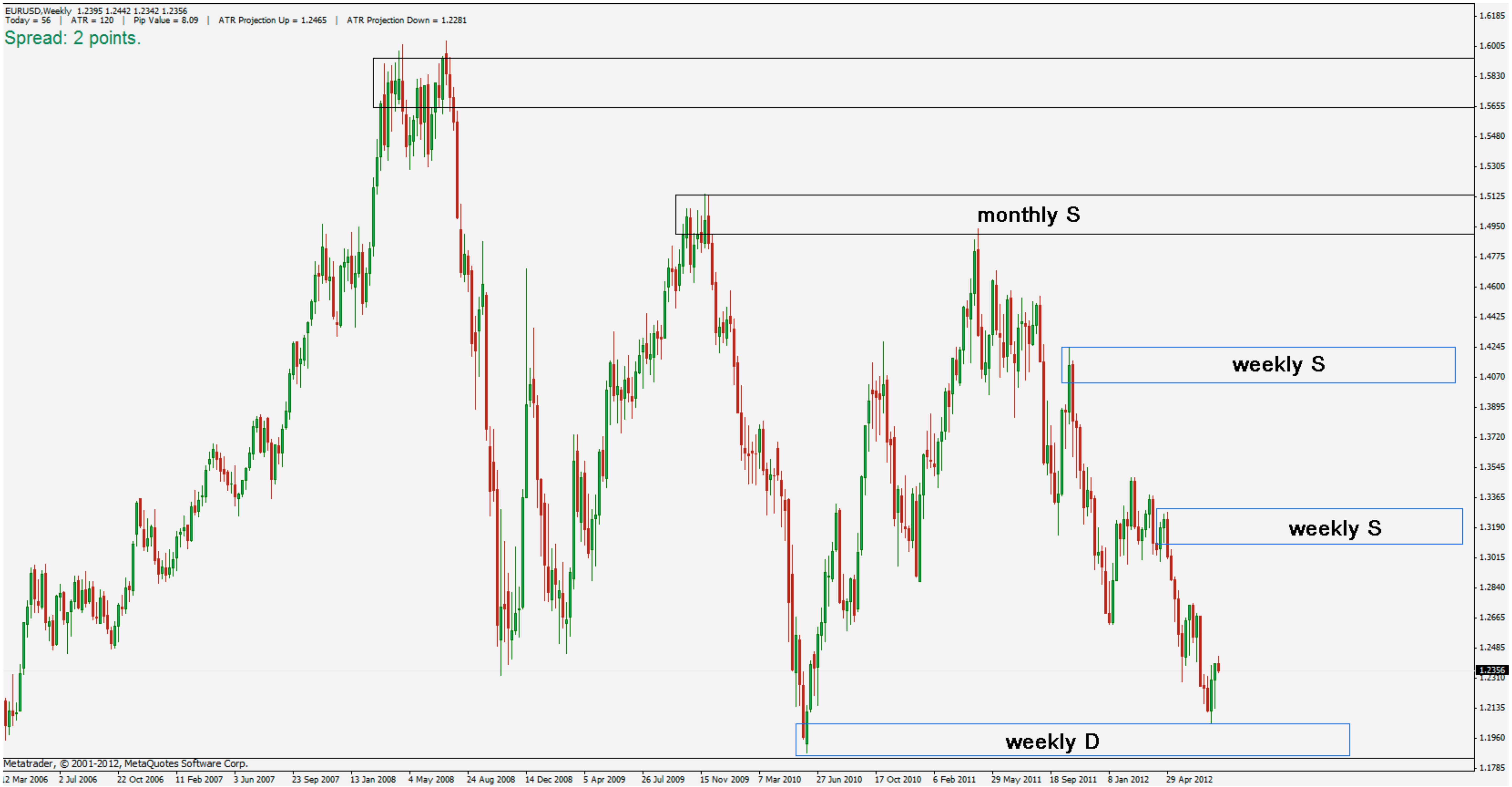
Trading examples

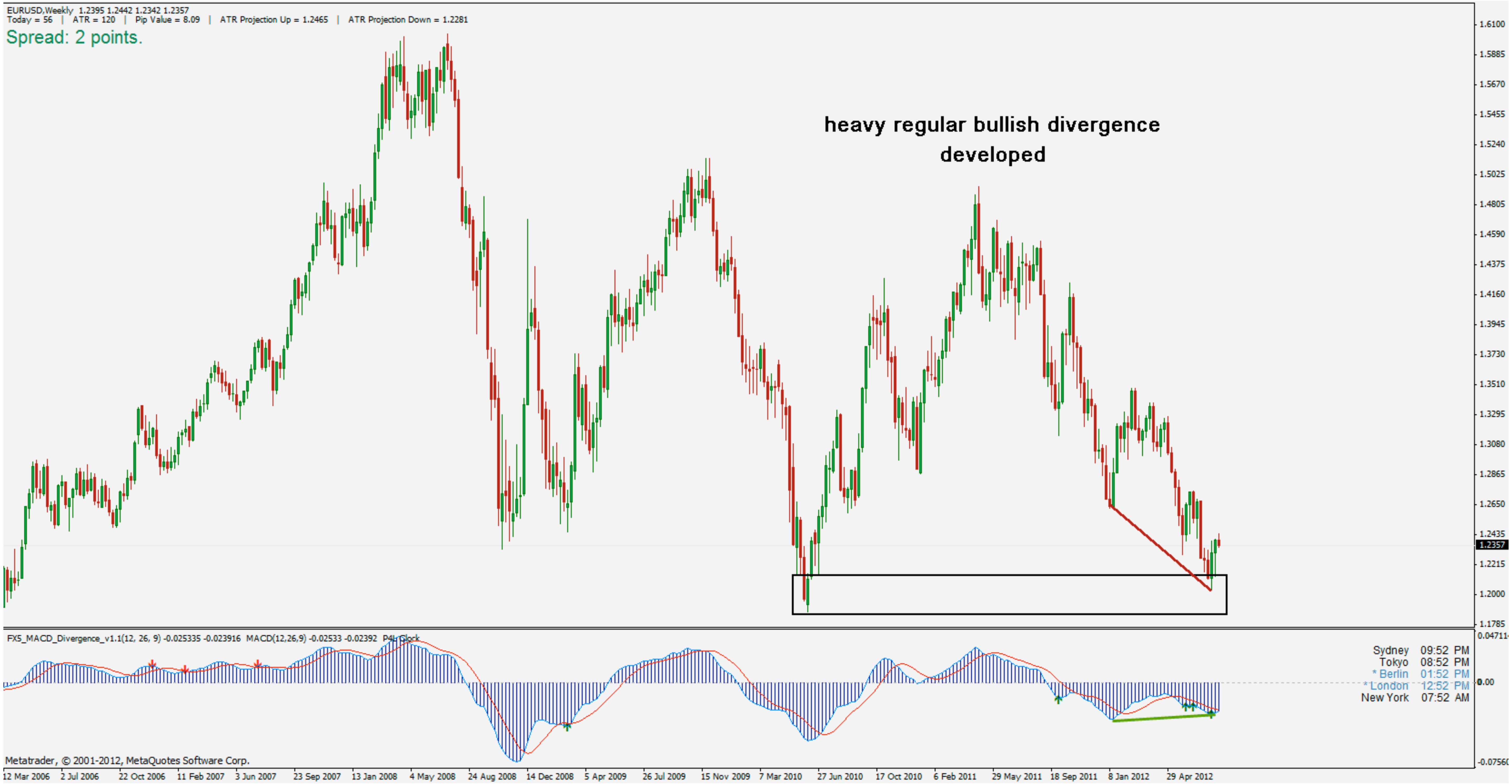
Alright, so again how do we start whenever we want to get a nice trade setup ?

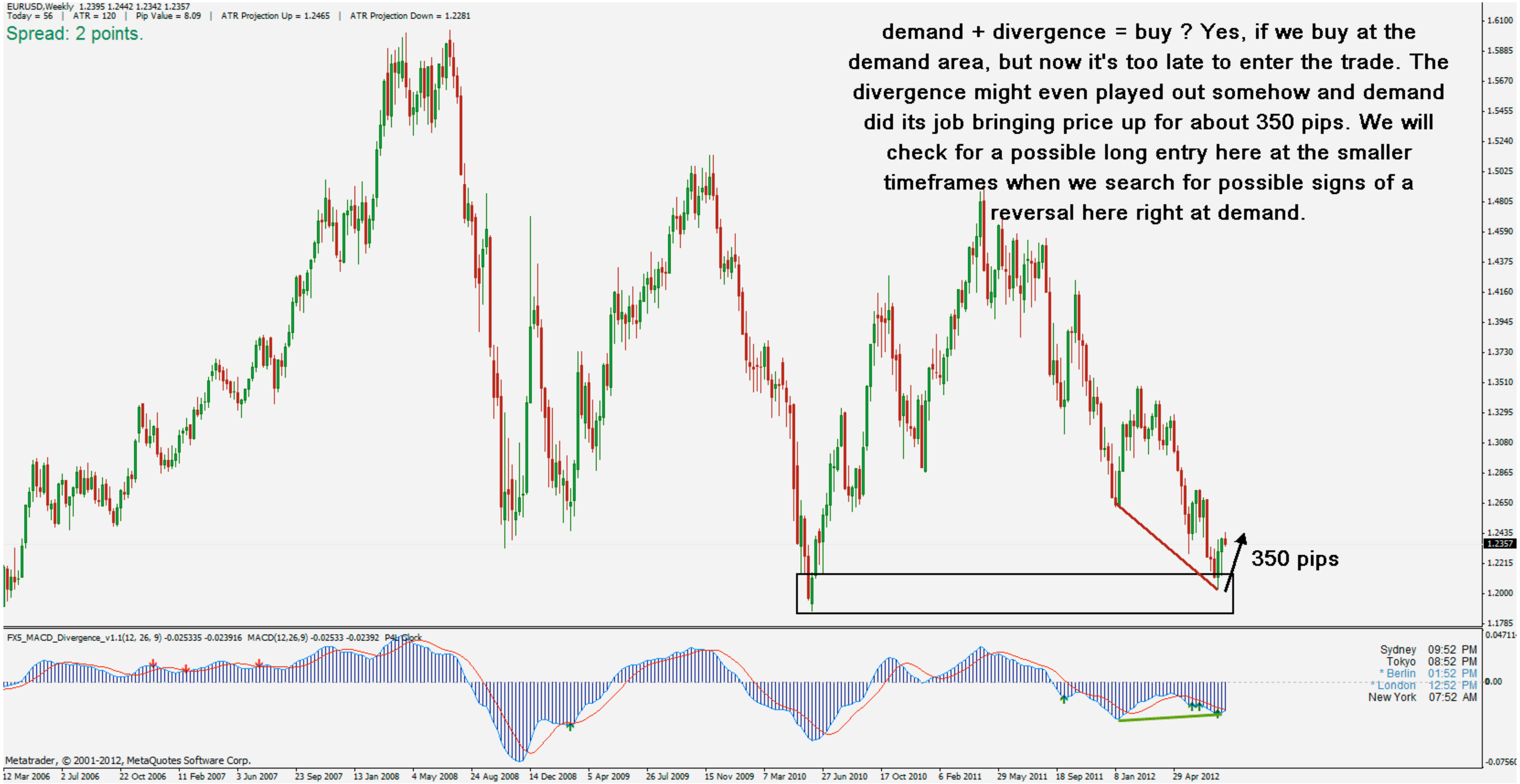
1.) We open pair X and go to the monthly timeframe.
I will take EURUSD for this parade example.
2.) There we search for the most important turning points // supply and demand areas and check whether the overall trend is bearish or bullish.
3.) We switch down to the weekly timeframe and repeat 2.) and search as well for a possible divergence here
4.) Guess what ? We now switch down to the daily and repeat step 3.)
5.) Then we wait for price to reach one of our demand/supply areas
6.) Price reached one of our supply/demand areas, now we search for price patterns,divergence, breakouts/retests to get a possible trade setup.

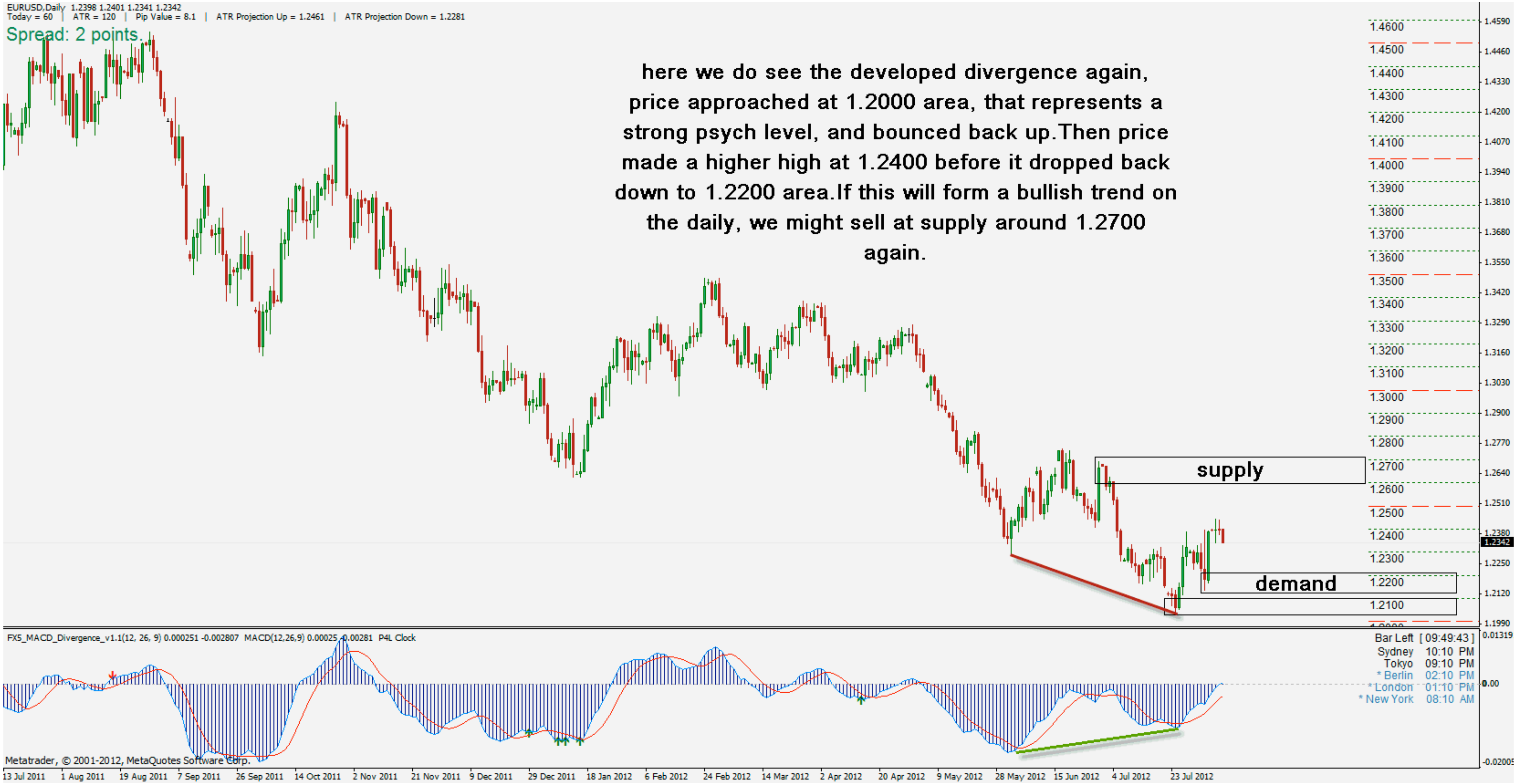
I will post a lot of examples of price reaching one of our demand/supply areas. Then we will go into deeper analysis to search for such indicators offering us a trade.
Again : The EURUSD example just shows you how to begin with analysing a pair. We search for the major areas and wait for price to approach, then the business starts.

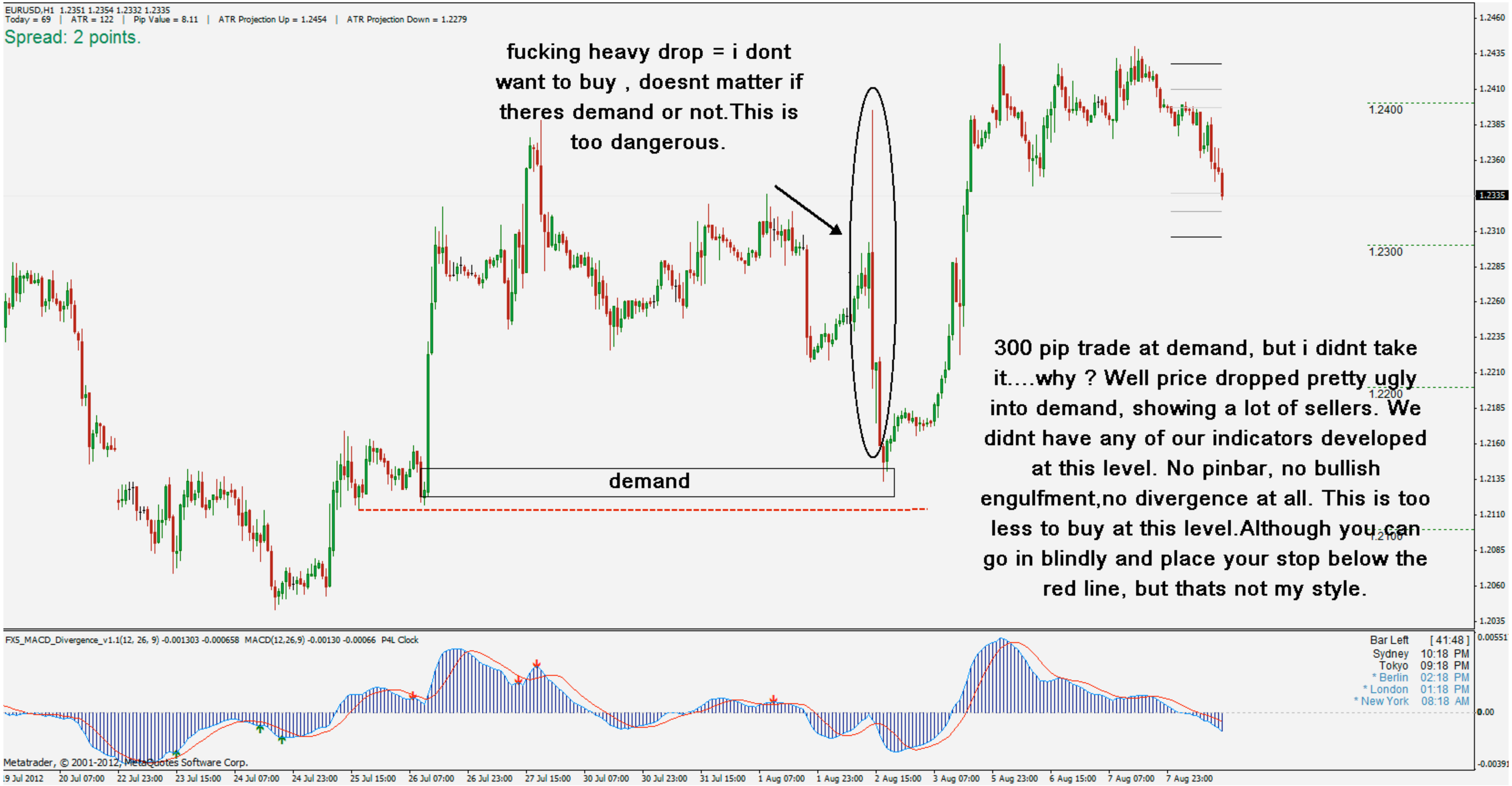

EURUSD,Monthly 1.2298 1.2442 1.2134 1.2360
Today = 56 | ATR = 120 | Pip Value = 8.09 | ATR Projection Up = 1.2465 | ATR Projection Down = 1.2281
Spread: 2 points.
Overall trend is bearish.Important to note: price is near a major demand area.So we definitely dont want to sell here,unless it is a lower timeframe.
supply
supply
demand
demand
Metatrader, © 2001-2012, MetaQuotes Software Corp.
1 Apr 1989 1 Aug 1990 1 Dec 1991 1 Apr 1993 1 Aug 1994 1 Dec 1995 1 Apr 1997 1 Aug 1998 1 Dec 1999 1 Apr 2001 1 Aug 2002 1 Dec 2003 1 Apr 2005 1 Aug 2006 1 Dec 2007 1 Apr 2009 1 Aug 2010 1 Dec 2011
1.6300 1.5970 1.5640 1.5310 1.4980 1.4650 1.4320 1.3990 1.3660 1.3330 1.3000 1.2670 1.2360 1.2005 1.1675 1.1345 1.1015 1.0685 1.0355 1.0025 0.9695 0.9365 0.9035 0.8705 0.8375 0.8045

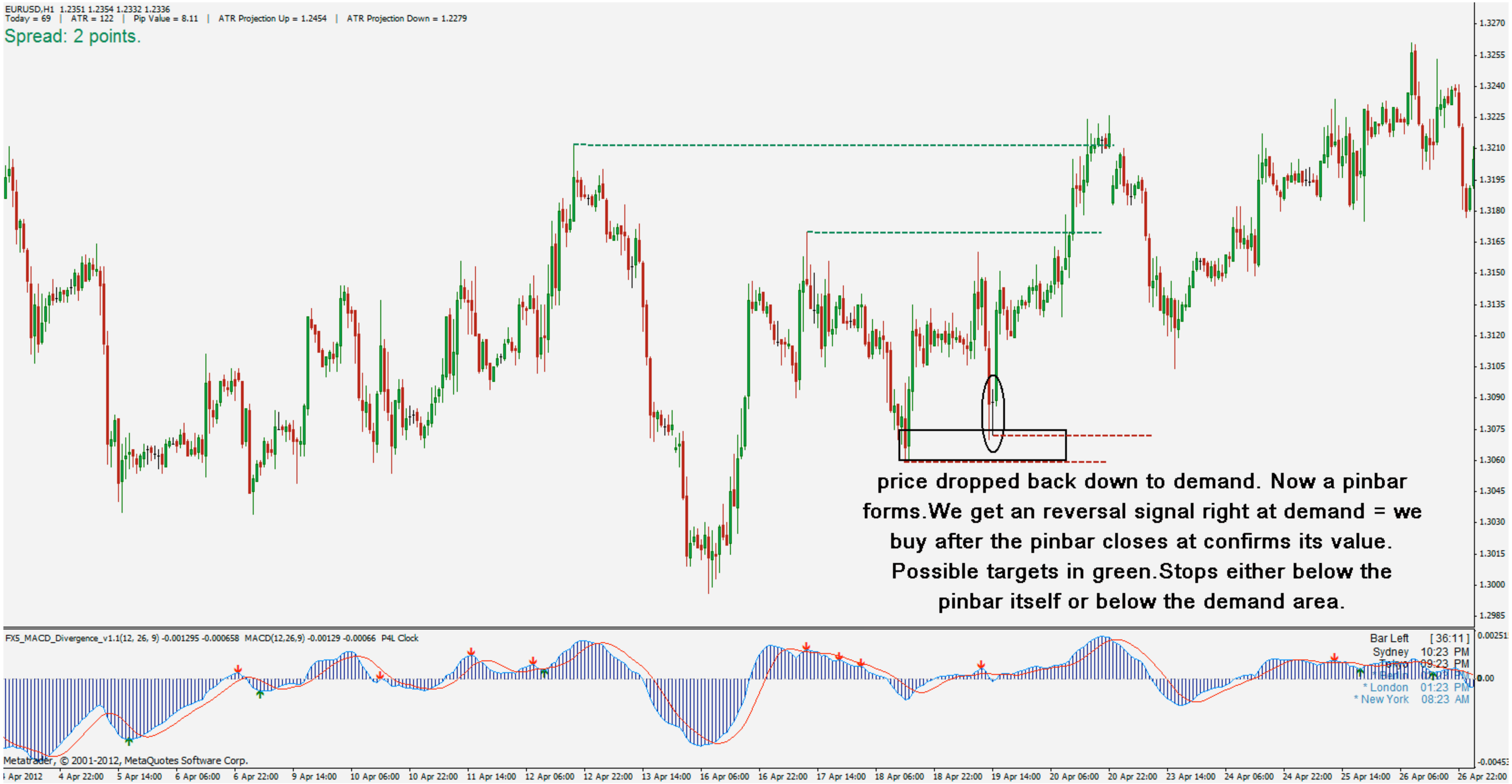

EURUSD,Weekly 1.2395 1.2442 1.2342 1.2356
Today = 56 | ATR = 120 | Pip Value = 8.09 | ATR Projection Up = 1.2465 | ATR Projection Down = 1.2281
Spread: 2 points.
monthly S
weekly S
weekly S
weekly D
Metatrader, © 2001-2012, MetaQuotes Software Corp.
1.6185
1.6005
1.5830
1.5655
1.5480
1.5305
1.5125
1.4950
1.4775
1.4600
1.4425
1.4245
1.4070
1.3895
1.3720
1.3545
1.3365
1.3190
1.3015
1.2840
1.2665
1.2485
1.2356
1.2310
1.2135
1.1960
1.1785
2 Jul 2006
22 Oct 2006
11 Feb 2007
3 Jun 2007
23 Sep 2007
13 Jan 2008
4 May 2008
24 Aug 2008
14 Dec 2008
5 Apr 2009
26 Jul 2009
15 Nov 2009
7 Mar 2010
27 Jun 2010
17 Oct 2010
6 Feb 2011
29 May 2011
18 Sep 2011
8 Jan 2012
29 Apr 2012

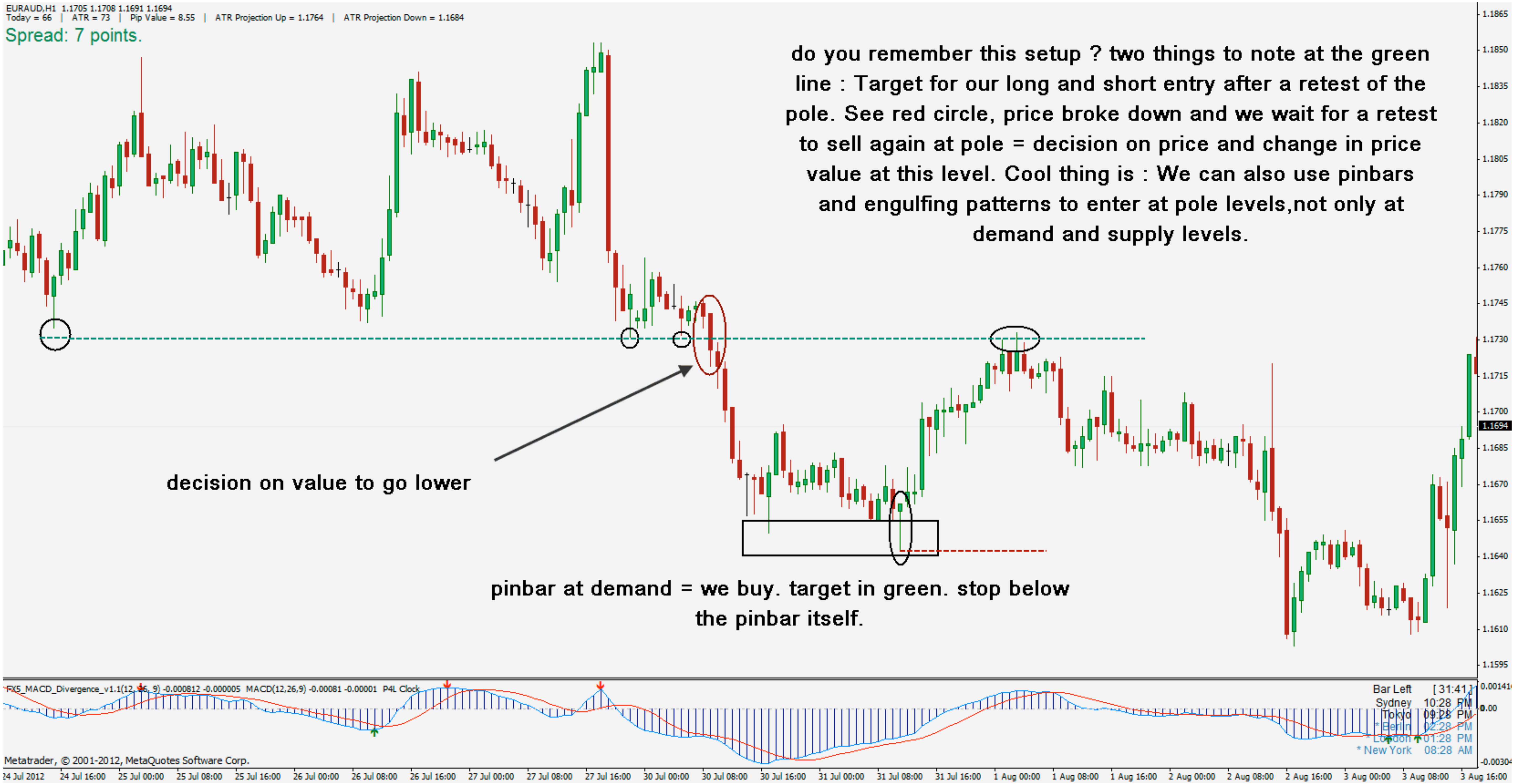

EURUSD,Weekly 1.2395 1.2442 1.2342 1.2357
Today = 56 | ATR = 120 | Pip Value = 8.09 | ATR Projection Up = 1.2465 | ATR Projection Down = 1.2281
Spread: 2 points.
heavy regular bullish divergence developed
FX5_MACD_Divergence_v1.1(12, 26, 9) -0.025335 -0.023916 MACD(12,26,9) -0.02533 -0.02392
Sydney 09:52 PM
Tokyo 08:52 PM
* Berlin 01:52 PM
* London 12:52 PM
New York 07:52 AM
Metatrader, © 2001-2012, MetaQuotes Software Corp.
12 Mar 2006
2 Jul 2006
22 Oct 2006
11 Feb 2007
3 Jun 2007
23 Sep 2007
13 Jan 2008
4 May 2008
24 Aug 2008
14 Dec 2008
5 Apr 2009
26 Jul 2009
15 Nov 2009
7 Mar 2010
27 Jun 2010
17 Oct 2010
6 Feb 2011
29 May 2011
18 Sep 2011
8 Jan 2012
29 Apr 2012

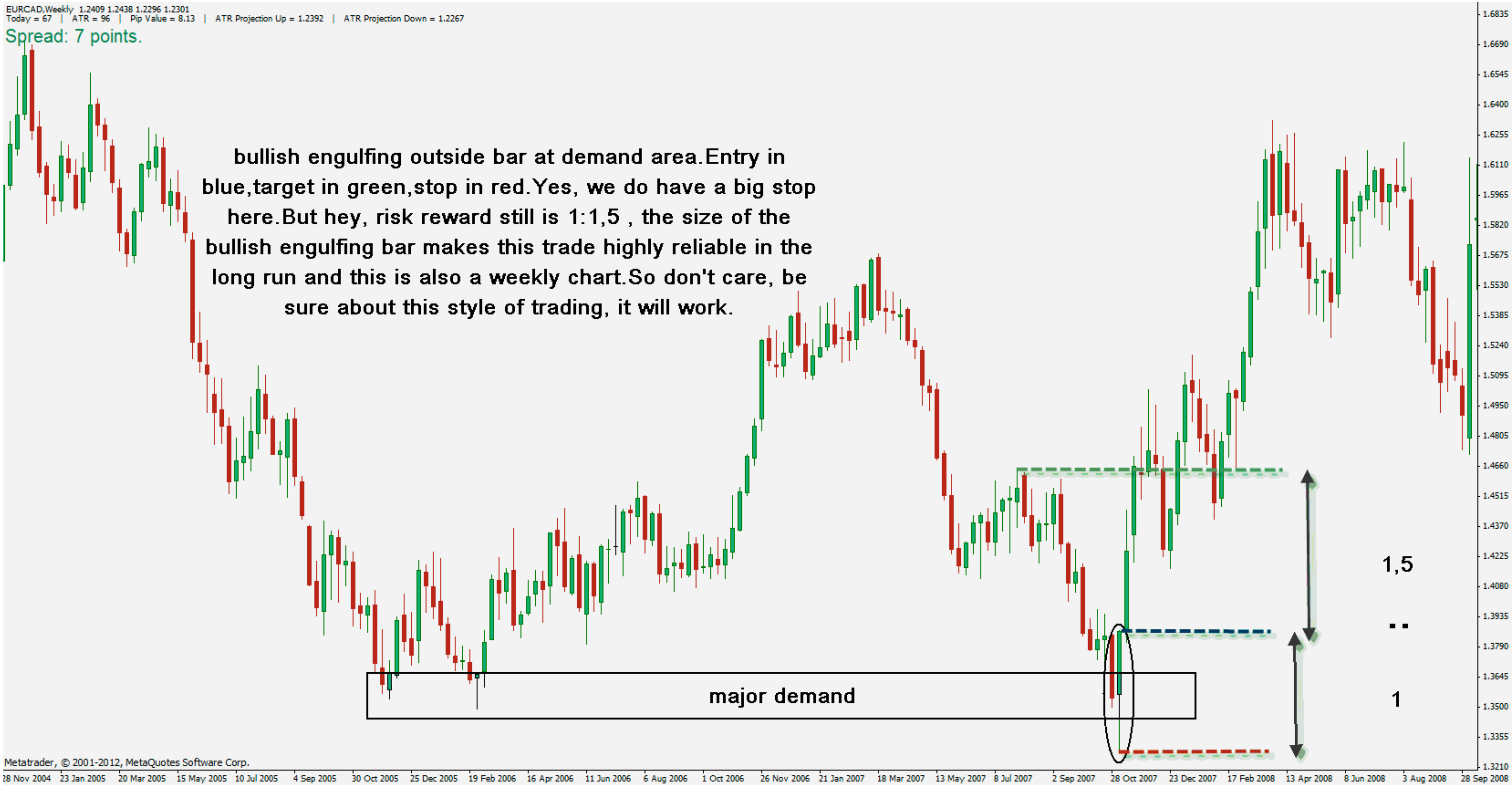

EURUSD,Weekly 1.2395 1.2442 1.2342 1.2357
Today = 56 | ATR = 120 | Pip Value = 8.09 | ATR Projection Up = 1.2465 | ATR Projection Down = 1.2281
Spread: 2 points.
demand + divergence = buy ? Yes, if we buy at the demand area, but now it's too late to enter the trade. The divergence might even played out somehow and demand did its job bringing price up for about 350 pips. We will check for a possible long entry here at the smaller timeframes when we search for possible signs of a reversal here right at demand.
350 pips
FX5_MACD_Divergence_v1.1(12, 26, 9) -0.025335 -0.023916 MACD(12,26,9) -0.02533 -0.02392
Sydney 09:52 PM
Tokyo 08:52 PM
* Berlin 01:52 PM
* London 12:52 PM
New York 07:52 AM
Metatrader, © 2001-2012, MetaQuotes Software Corp.
12 Mar 2006
2 Jul 2006
22 Oct 2006
11 Feb 2007
3 Jun 2007
23 Sep 2007
13 Jan 2008
4 May 2008
24 Aug 2008
14 Dec 2008
5 Apr 2009
26 Jul 2009
15 Nov 2009
7 Mar 2010
27 Jun 2010
17 Oct 2010
6 Feb 2011
29 May 2011
18 Sep 2011
8 Jan 2012
29 Apr 2012

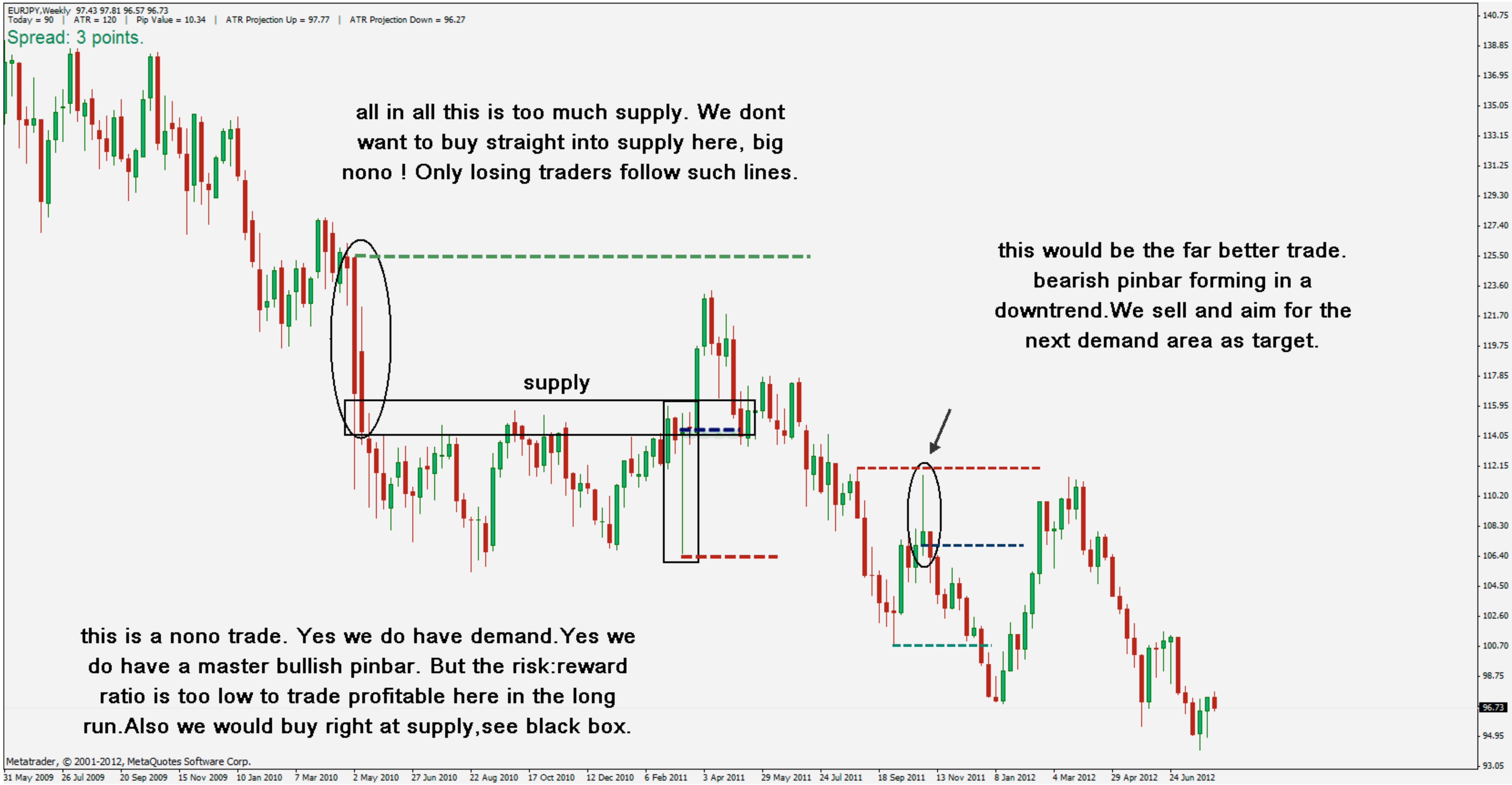

EURUSD,Daily 1.2398 1.2401 1.2341 1.2342
Today = 60 | ATR = 120 | Pip Value = 8.1 | ATR Projection Up = 1.2461 | ATR Projection Down = 1.2281
Spread: 2 points.
here we do see the developed divergence again, price approached at 1.2000 area, that represents a strong psych level, and bounced back up.Then price made a higher high at 1.2400 before it dropped back down to 1.2200 area.If this will form a bullish trend on the daily, we might sell at supply around 1.2700 again.
supply
demand
FX5_MACD_Divergence_v1.1(12, 26, 9) 0.000251 -0.002807 MACD(12,26,9) 0.00025 -0.00281 P4L Clock
Bar Left [09:49:43]
Sydney 10:10 PM
Tokyo 09:10 PM
* Berlin 02:10 PM
* London 01:10 PM
* New York 08:10 AM
Metatrader, © 2001-2012, MetaQuotes Software Corp.

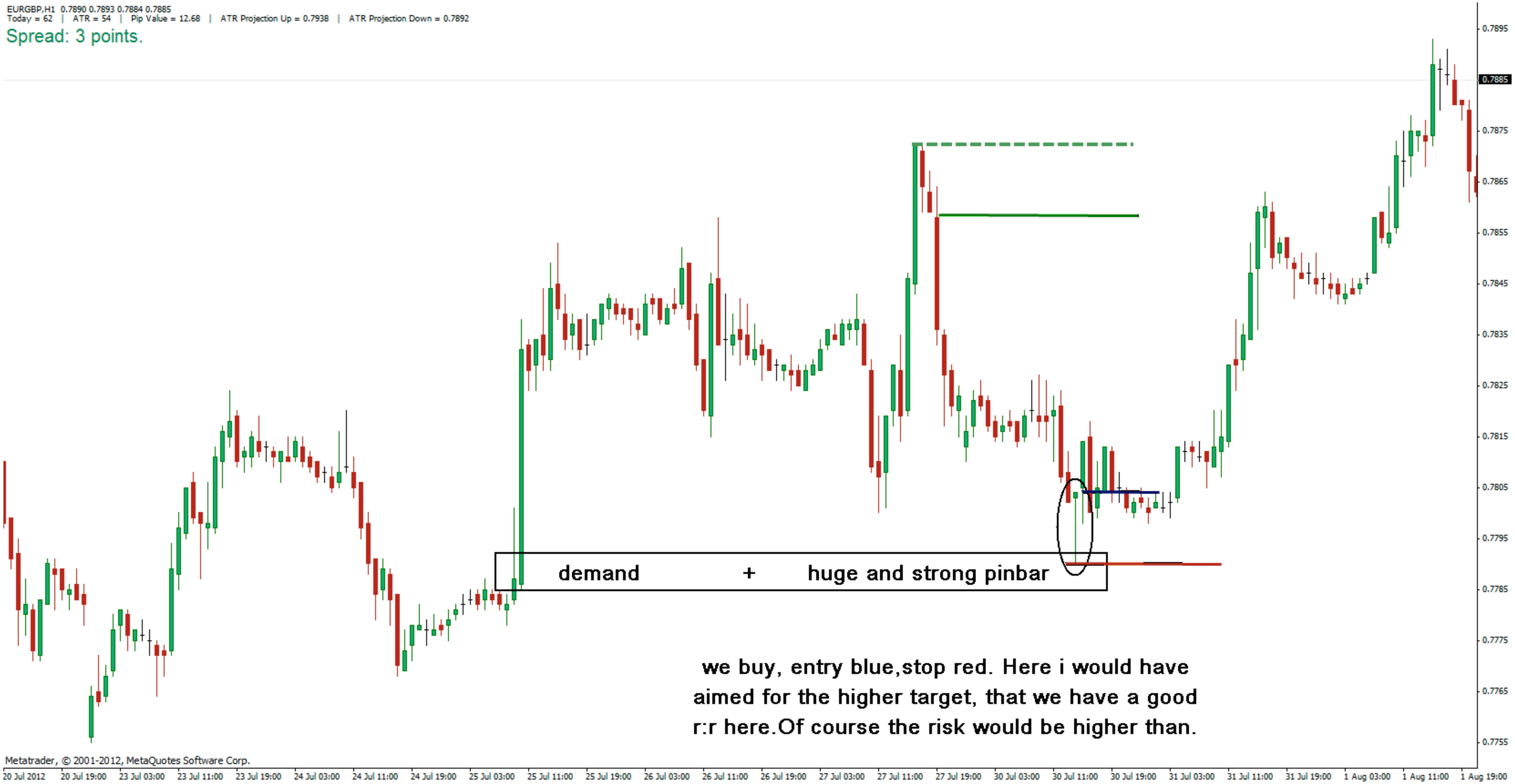

EURUSD,H1 1.2351 1.2354 1.2332 1.2335
Today = 69 | ATR = 122 | Pip Value = 8.11 | ATR Projection Up = 1.2454 | ATR Projection Down = 1.2279
Spread: 2 points.
fucking heavy drop = i dont want to buy , doesnt matter if theres demand or not.This is too dangerous.
demand
300 pip trade at demand, but i didnt take it....why ? Well price dropped pretty ugly into demand, showing a lot of sellers. We didnt have any of our indicators developed at this level. No pinbar, no bullish engulfment,no divergence at all. This is too less to buy at this level.Although you can go in blindly and place your stop below the red line, but thats not my style.
Metatrader, © 2001-2012, MetaQuotes Software Corp.

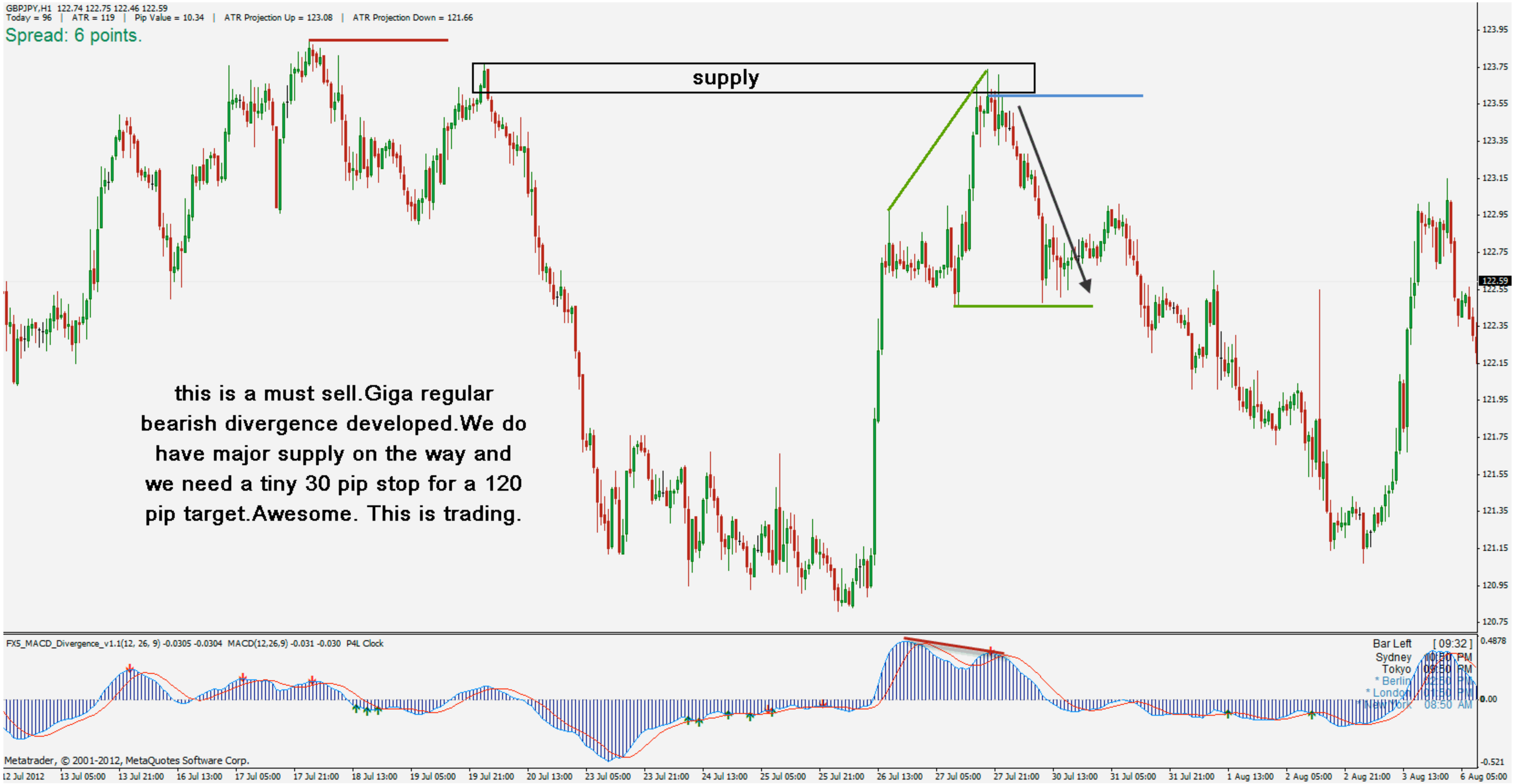

EURUSD,H1 1.2351 1.2354 1.2332 1.2336
Today = 69 | ATR = 122 | Pip Value = 8.11 | ATR Projection Up = 1.2454 | ATR Projection Down = 1.2279
Spread: 2 points.
price dropped back down to demand. Now a pinbar forms.We get an reversal signal right at demand = we buy after the pinbar closes at confirms its value. Possible targets in green.Stops either below the pinbar itself or below the demand area.
FX5_MACD_Divergence_v1.1(12, 26, 9) -0.001295 -0.000658 MACD(12,26,9) -0.00129 -0.00066 P4L Clock
Metatrader, © 2001-2012, MetaQuotes Software Corp.


EURAUD,H1 1.1705 1.1708 1.1691 1.1694
Today = 66 | ATR = 73 | Pip Value = 8.55 | ATR Projection Up = 1.1764 | ATR Projection Down = 1.1684
Spread: 7 points.
do you remember this setup ? two things to note at the green line : Target for our long and short entry after a retest of the pole. See red circle, price broke down and we wait for a retest to sell again at pole = decision on price and change in price value at this level. Cool thing is : We can also use pinbars and engulfing patterns to enter at pole levels,not only at demand and supply levels.
decision on value to go lower
pinbar at demand = we buy. target in green. stop below the pinbar itself.
Metatrader, © 2001-2012, MetaQuotes Software Corp.

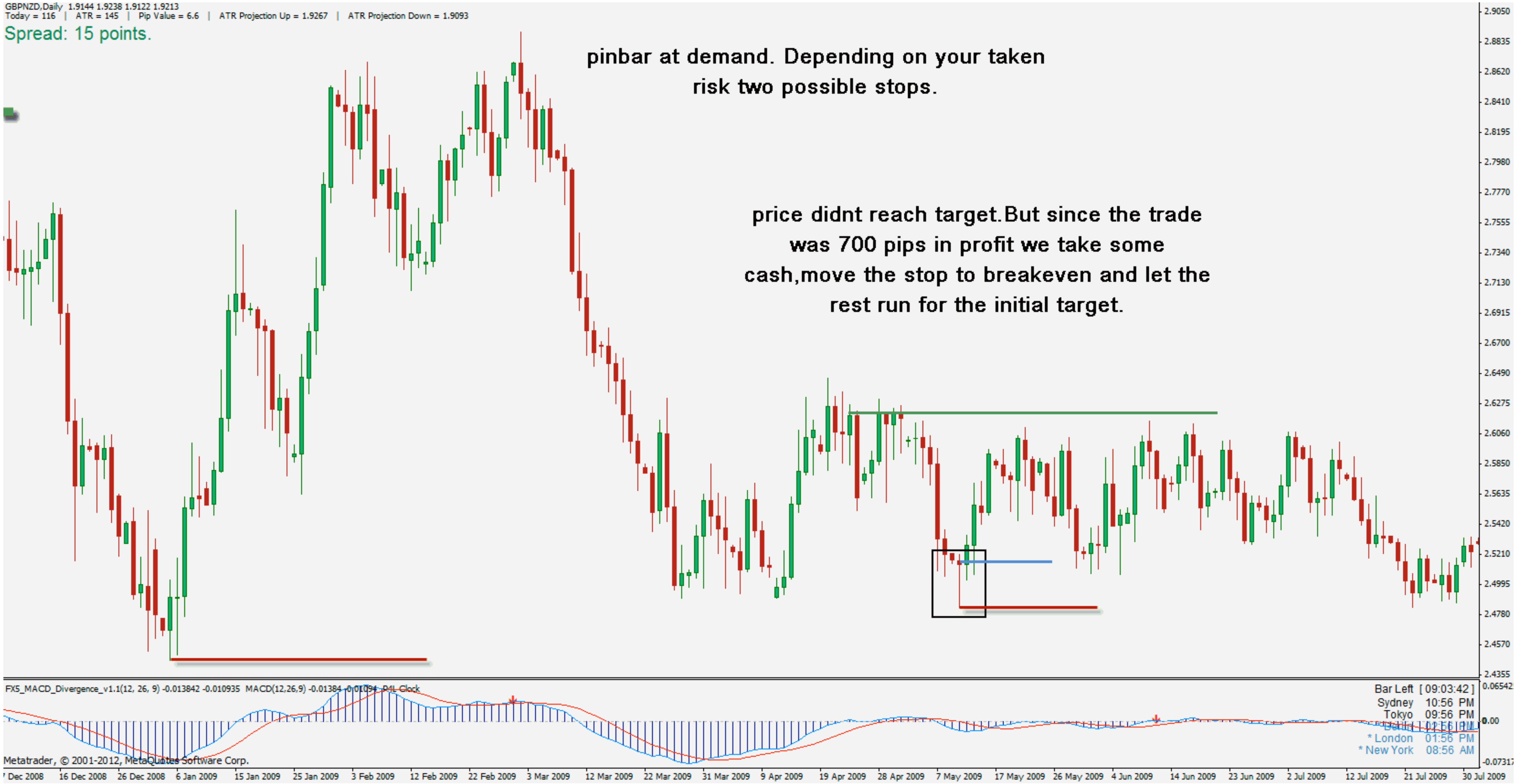

EURCAD,Weekly 1.2409 1.2438 1.2296 1.2301
Today = 67 | ATR = 96 | Pip Value = 8.13 | ATR Projection Up = 1.2392 | ATR Projection Down = 1.2267
Spread: 7 points.
bullish engulfing outside bar at demand area.Entry in blue,target in green,stop in red.Yes, we do have a big stop here.But hey, risk reward still is 1:1,5 , the size of the bullish engulfing bar makes this trade highly reliable in the long run and this is also a weekly chart.So don't care, be sure about this style of trading, it will work.
major demand
1,5
1
Metatrader, © 2001-2012, MetaQuotes Software Corp.

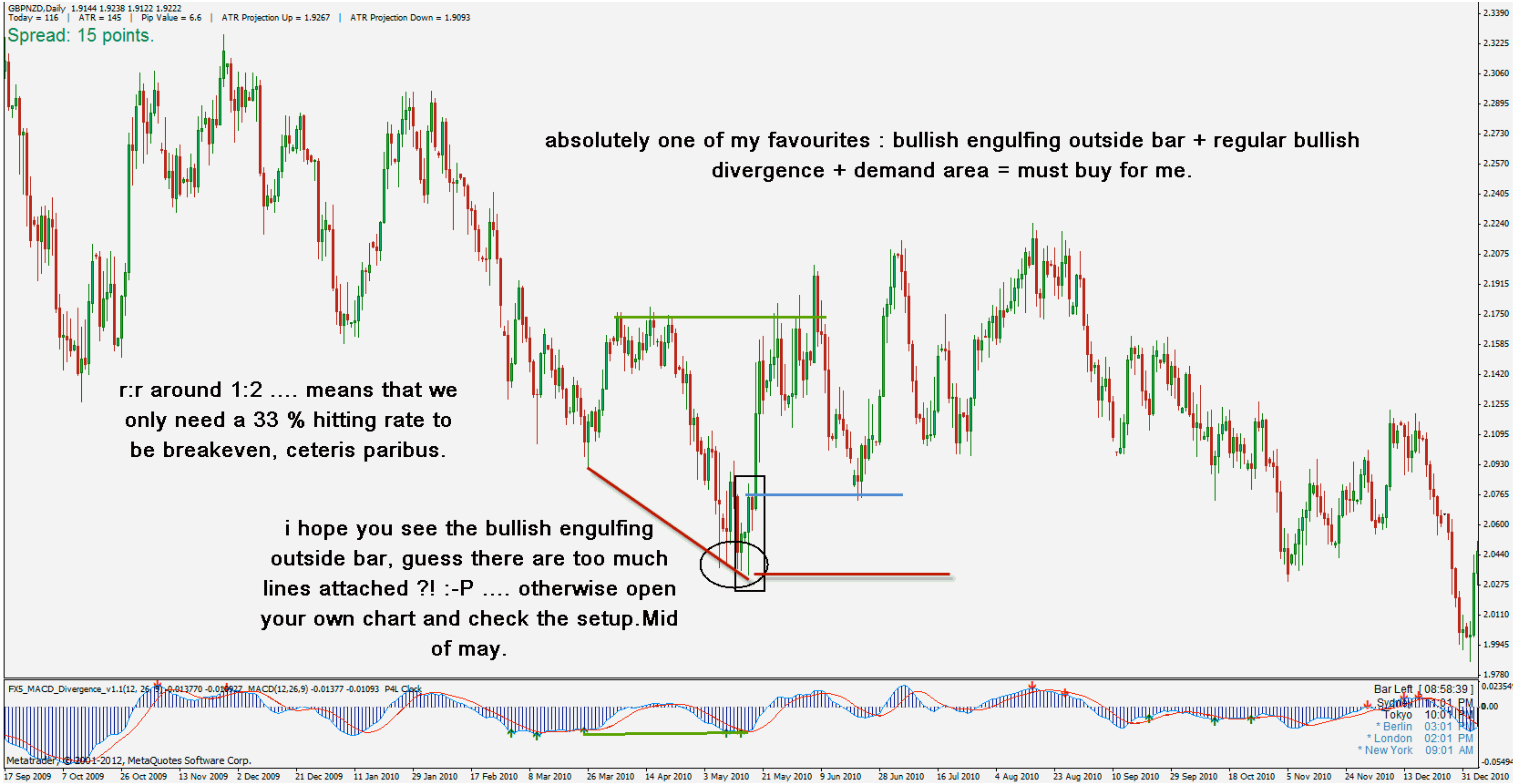

EURJPY,Weekly 97.43 97.81 96.57 96.73
Today = 90 | ATR = 120 | Pip Value = 10.34 | ATR Projection Up = 97.77 | ATR Projection Down = 96.27
Spread: 3 points.
all in all this is too much supply. We dont want to buy straight into supply here, big nono ! Only losing traders follow such lines.
this would be the far better trade. bearish pinbar forming in a downtrend.We sell and aim for the next demand area as target.
supply
this is a nono trade. Yes we do have demand.Yes we do have a master bullish pinbar. But the risk:reward ratio is too low to trade profitable here in the long run.Also we would buy right at supply,see black box.
Metatrader, © 2001-2012, MetaQuotes Software Corp.
140.75
138.85
136.95
135.05
133.15
131.25
129.30
127.40
125.50
123.60
121.70
119.75
117.85
115.95
114.05
112.15
110.20
108.30
106.40
104.50
102.60
100.70
98.75
96.73
94.95
93.05
31 May 2009
26 Jul 2009
20 Sep 2009
15 Nov 2009
10 Jan 2010
7 Mar 2010
2 May 2010
27 Jun 2010
22 Aug 2010
17 Oct 2010
12 Dec 2010
6 Feb 2011
3 Apr 2011
29 May 2011
24 Jul 2011
18 Sep 2011
13 Nov 2011
8 Jan 2012
4 Mar 2012
29 Apr 2012
24 Jun 2012


EURGBP,H1 0.7890 0.7893 0.7884 0.7885
Today = 62 | ATR = 54 | Pip Value = 12.68 | ATR Projection Up = 0.7938 | ATR Projection Down = 0.7892
Spread: 3 points.
demand + huge and strong pinbar
we buy, entry blue,stop red. Here i would have aimed for the higher target, that we have a good r:r here.Of course the risk would be higher than.
Metatrader, © 2001-2012, MetaQuotes Software Corp.


GBPJPY,H1 122.74 122.75 122.46 122.59
Today = 96 | ATR = 119 | Pip Value = 10.34 | ATR Projection Up = 123.08 | ATR Projection Down = 121.66
Spread: 6 points.
supply
this is a must sell.Giga regular bearish divergence developed.We do have major supply on the way and we need a tiny 30 pip stop for a 120 pip target.Awesome. This is trading.
FX5_MACD_Divergence_v1.1(12, 26, 9) -0.0305 -0.0304 MACD(12,26,9) -0.031 -0.030 P4L Clock
Bar Left [09:32]
Sydney
Tokyo
Metatrader, © 2001-2012, MetaQuotes Software Corp.

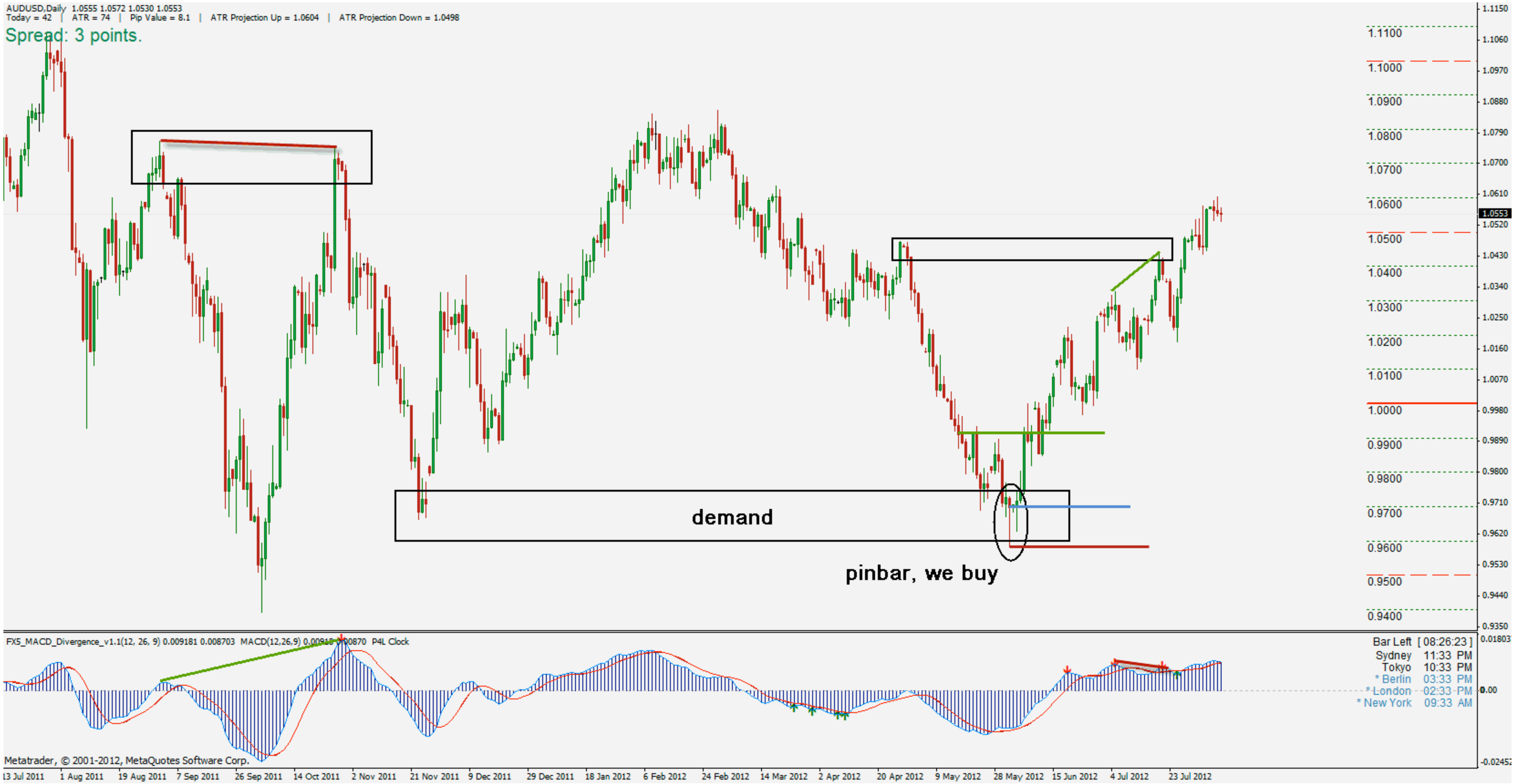

GBPAUD,H1 1.4830 1.4835 1.4810 1.4812
Today = 88 | ATR = 94 | Pip Value = 8.56 | ATR Projection Up = 1.4841 | ATR Projection Down = 1.4741
Spread: 12 points.
regular bullish divergence + pinbar at demand = enough for us to buy. Entry in blue,stop in red,target in green.
FX5_MACD_Divergence_v1.1(12, 26, 9) 0.000589 0.000461 MACD(12,26,9) 0.00059 0.00046 P4L Clock
Bar Left [06:26]
Sydney 10:53 PM
Tokyo 09:53 PM
* Berlin 02:53 PM
* London 01:53 PM
* New York 08:53 AM
Metatrader, © 2001-2012, MetaQuotes Software Corp.

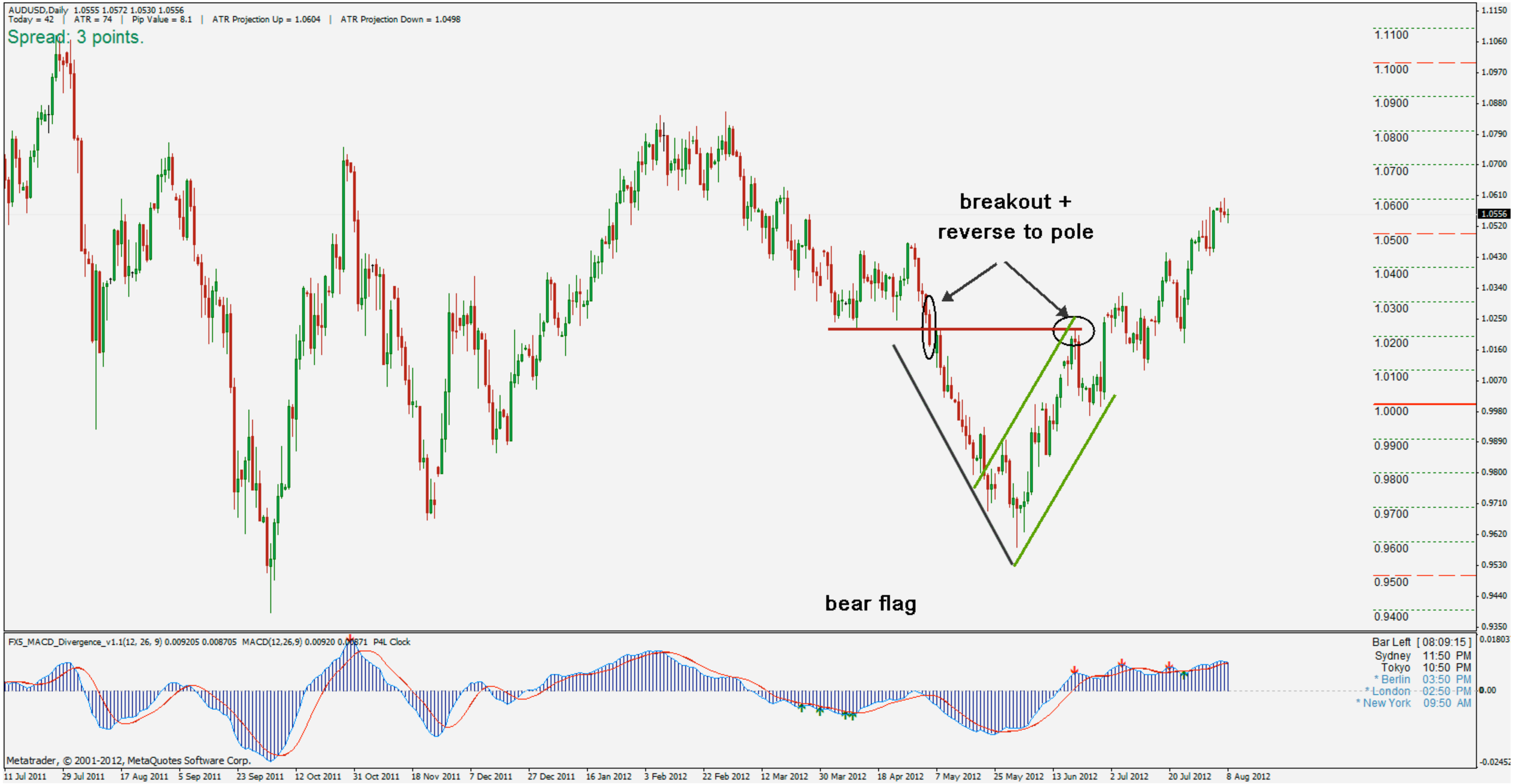

GBPNZD,Daily 1.9144 1.9238 1.9122 1.9213
Today = 116 | ATR = 145 | Pip Value = 6.6 | ATR Projection Up = 1.9267 | ATR Projection Down = 1.9093
Spread: 15 points.
pinbar at demand. Depending on your taken
risk two possible stops.
price didnt reach target.But since the trade
was 700 pips in profit we take some
cash,move the stop to breakeven and let the
rest run for the initial target.
Metatrader, © 2001-2012, MetaQuotes Software Corp.

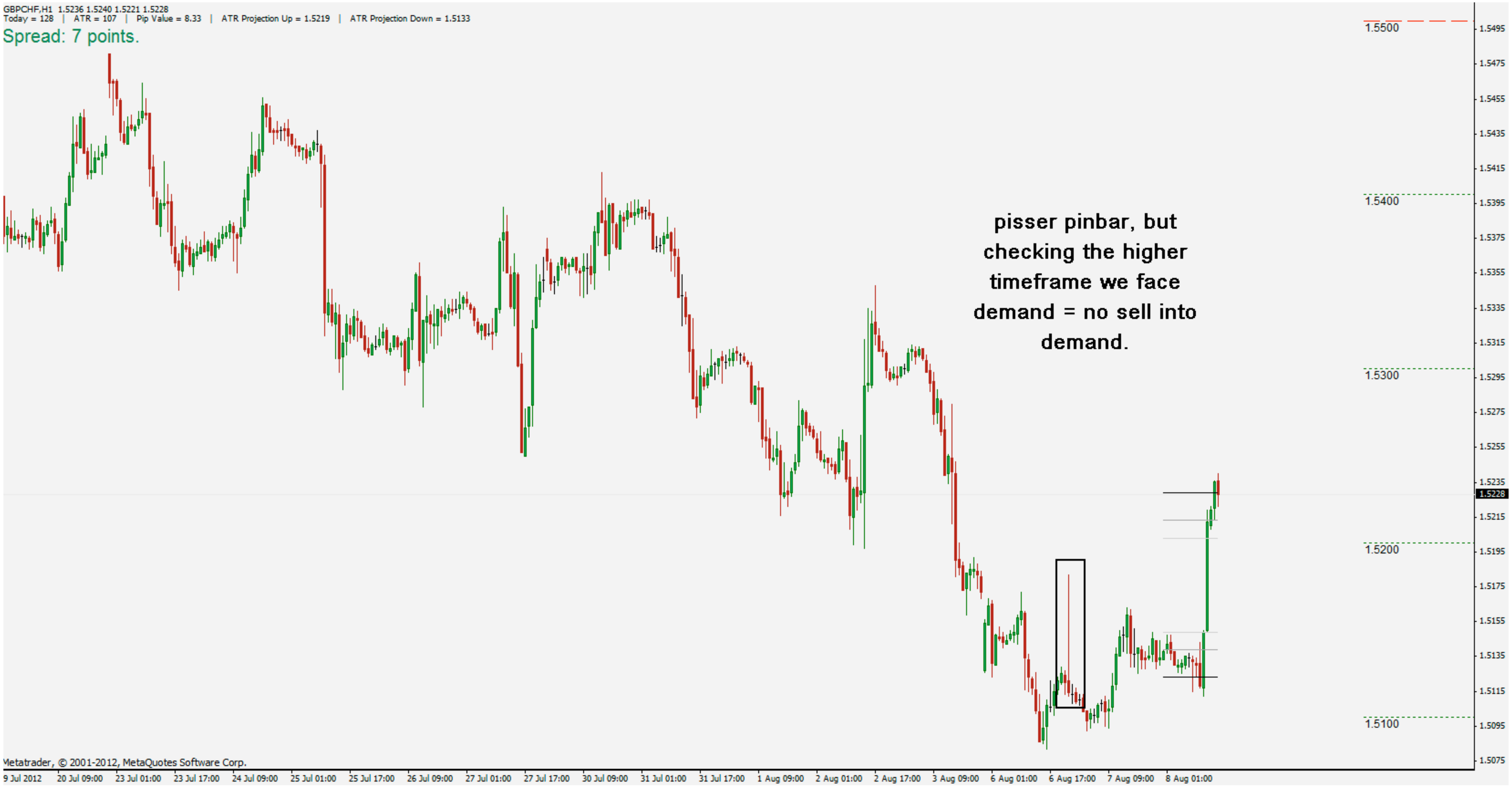


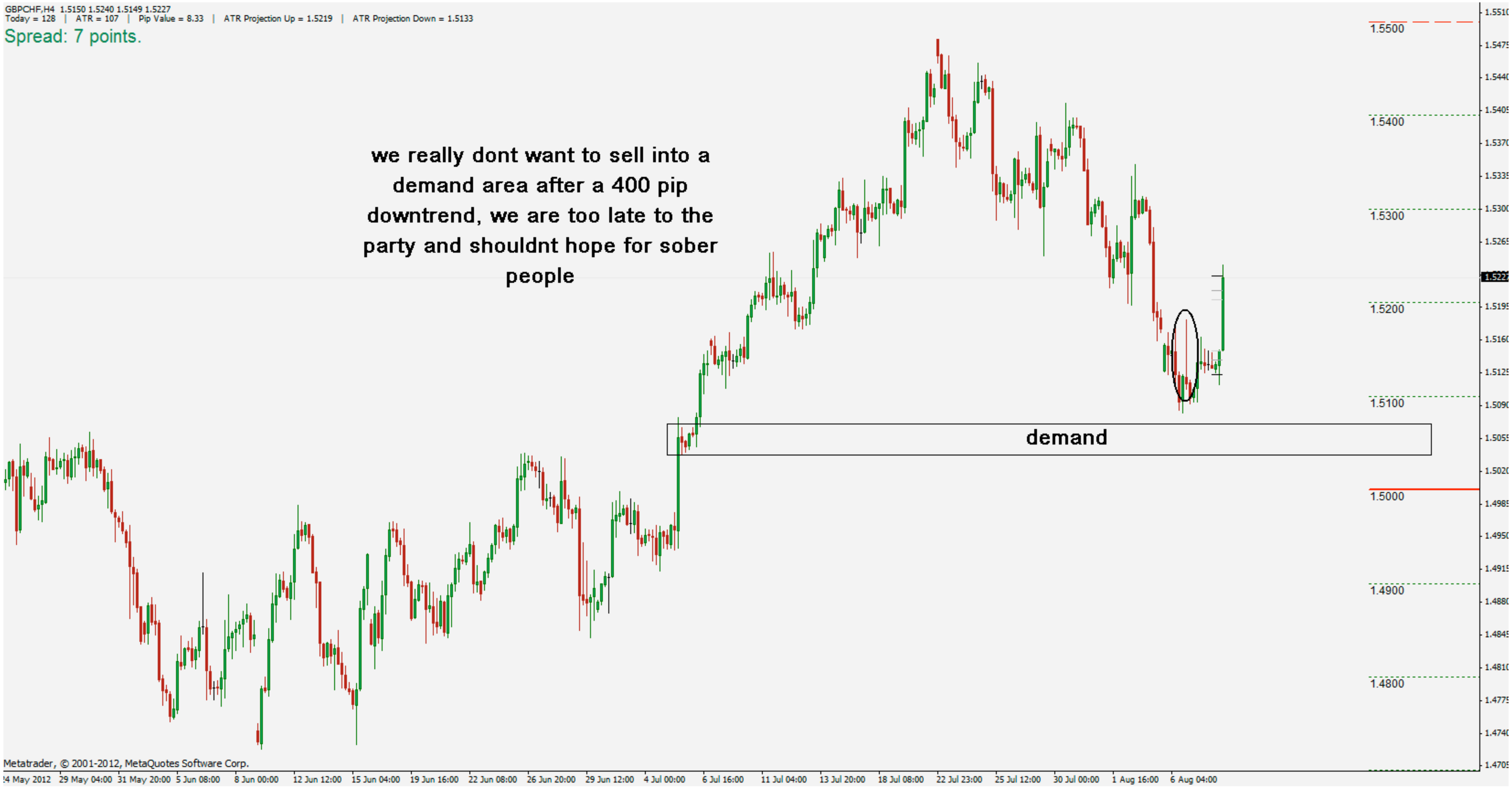
GBPNZD,Daily 1.9144 1.9238 1.9122 1.9222
Today = 116 | ATR = 145 | Pip Value = 6.6 | ATR Projection Up = 1.9267 | ATR Projection Down = 1.9093
Spread: 15 points.
absolutely one of my favourites : bullish engulfing outside bar + regular bullish divergence + demand area = must buy for me.
r:r around 1:2 .... means that we only need a 33 % hitting rate to be breakeven, ceteris paribus.
i hope you see the bullish engulfing outside bar, guess there are too much lines attached ?! :-P .... otherwise open your own chart and check the setup.Mid of may.
Metatrader, © 2001-2012, MetaQuotes Software Corp.

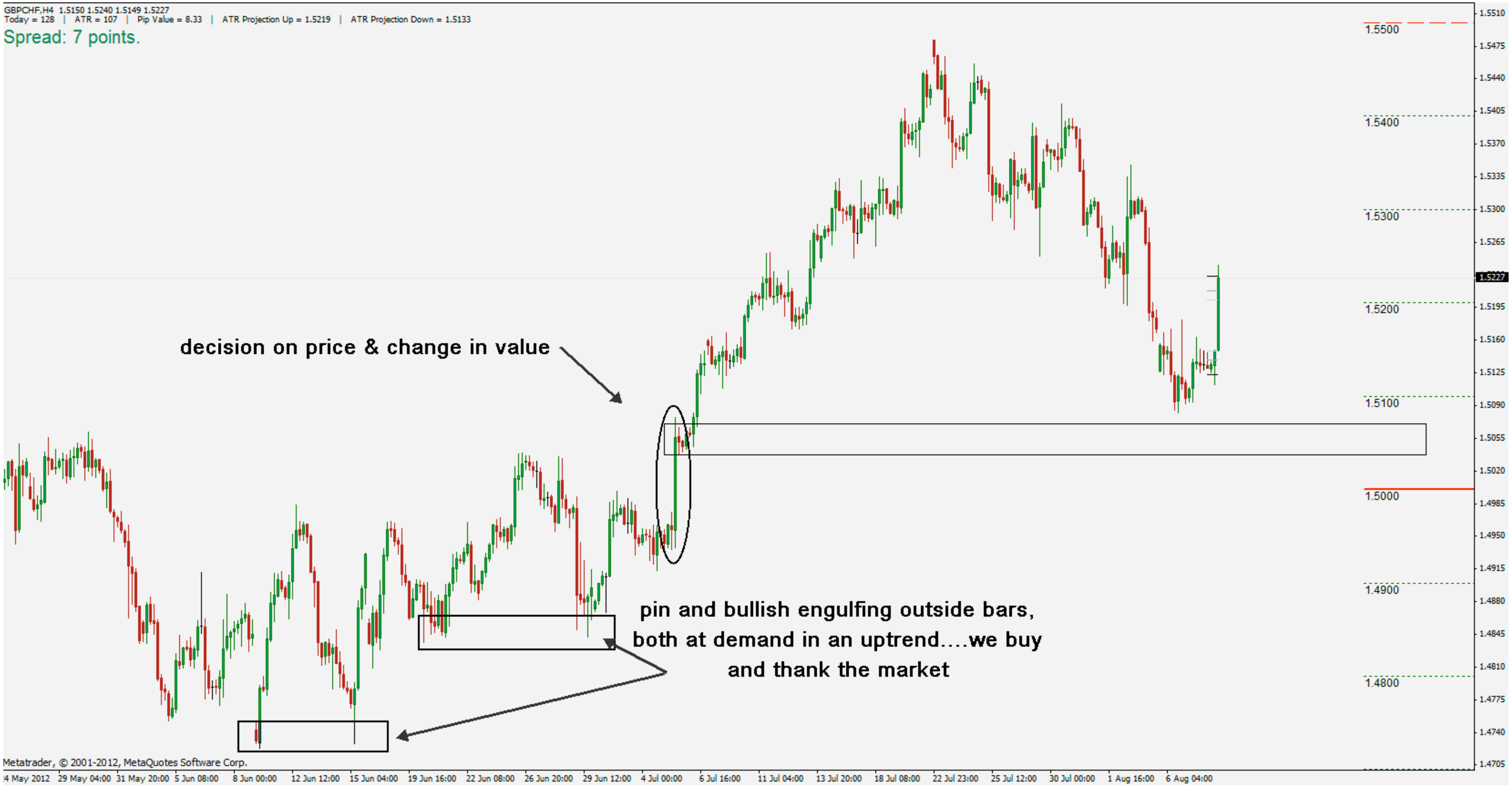

USDCAD,H1 0.9971 0.9972 0.9969 0.9971
Today = 26 | ATR = 49 | Pip Value = 8.13 | ATR Projection Up = 1.001 | ATR Projection Down = 0.9938
Spread: 4 points.
again why we dont buy this strong bullish engulfing
outside bar : We would buy right into supply, and this is
bullshit because sellers are likely to exceed byuers again
at this supply area, and our buy order will be boomed.
Check the right side....supply did its job.
Nono trade !
supply
Metatrader, © 2001-2012, MetaQuotes Software Corp.


AUDUSD,Daily 1.0555 1.0572 1.0530 1.0553
Today = 42 | ATR = 74 | Pip Value = 8.1 | ATR Projection Up = 1.0604 | ATR Projection Down = 1.0498
Spread: 3 points.
demand
pinbar, we buy
FX5_MACD_Divergence_v1.1(12, 26, 9) 0.009181 0.008703 MACD(12,26,9)
P4L Clock
Bar Left [08:26:23]
Sydney 11:33 PM
Tokyo 10:33 PM
* Berlin 03:33 PM
* London 02:33 PM
* New York 09:33 AM
Metatrader, © 2001-2012, MetaQuotes Software Corp.

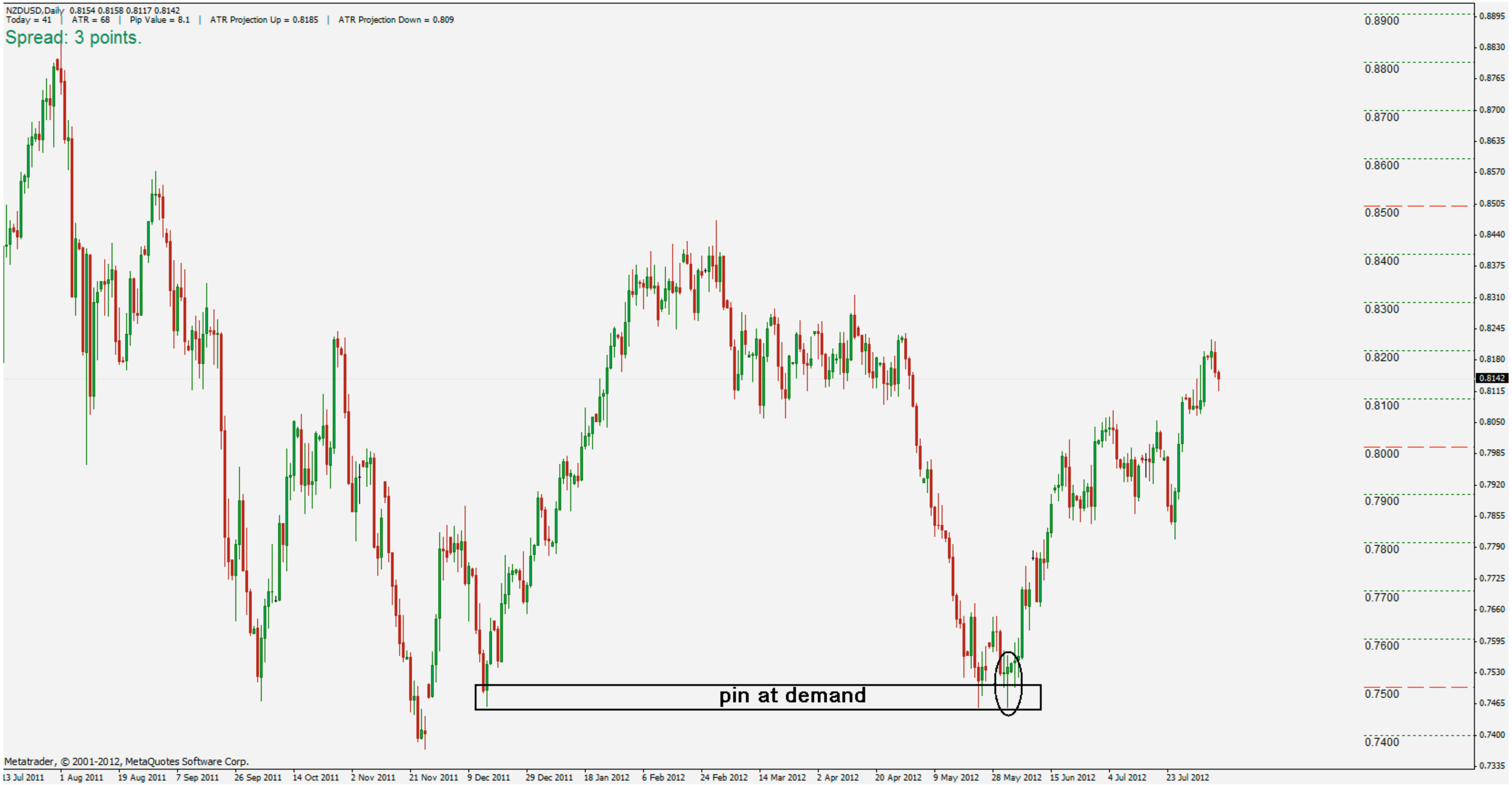

AUDUSD,Daily 1.0555 1.0572 1.0530 1.0556
Today = 42 | ATR = 74 | Pip Value = 8.1 | ATR Projection Up = 1.0604 | ATR Projection Down = 1.0498
Spread: 3 points.
breakout +
reverse to pole
bear flag
Metatrader, © 2001-2012, MetaQuotes Software Corp.
Bar Left [08:09:15]
Sydney 11:50 PM
Tokyo 10:50 PM
* Berlin 03:50 PM
* London 02:50 PM
* New York 09:50 AM


GBPCHF,H1 1.5236 1.5240 1.5221 1.5228
Today = 128 | ATR = 107 | Pip Value = 8.33 | ATR Projection Up = 1.5219 | ATR Projection Down = 1.5133
Spread: 7 points.
pisser pinbar, but checking the higher timeframe we face demand = no sell into demand.
1.5500
1.5400
1.5300
1.5200
1.5100
Metatrader, © 2001-2012, MetaQuotes Software Corp.


GBPCHF,H4 1.5150 1.5240 1.5149 1.5227
Today = 128 | ATR = 107 | Pip Value = 8.33 | ATR Projection Up = 1.5219 | ATR Projection Down = 1.5133
Spread: 7 points.
we really dont want to sell into a demand area after a 400 pip downtrend, we are too late to the party and shouldnt hope for sober people
demand
1.5500
1.5400
1.5300
1.5200
1.5100
1.5000
1.4900
1.4800
Metatrader, © 2001-2012, MetaQuotes Software Corp.



GBPCHF,H4 1.5150 1.5240 1.5149 1.5227
Today = 128 | ATR = 107 | Pip Value = 8.33 | ATR Projection Up = 1.5219 | ATR Projection Down = 1.5133
Spread: 7 points.
decision on price & change in value
pin and bullish engulfing outside bars, both at demand in an uptrend....we buy and thank the market
Metatrader, © 2001-2012, MetaQuotes Software Corp.


NZDUSD,Daily 0.8154 0.8158 0.8117 0.8142
Today = 41 | ATR = 68 | Pip Value = 8.1 | ATR Projection Up = 0.8185 | ATR Projection Down = 0.809
Spread: 3 points.
pin at demand
Metatrader, © 2001-2012, MetaQuotes Software Corp.

Credits

It‘s done.

Thank you for buying.
Thank you for your confidence.

I guess the e-book, compared with the most others out there, doesnt have anyhting to do with scam.
I tried to build a easy-readable, great structured and clear e-book for you to share all of my insights, hints and tips with you.

If there‘s anything that you missed in the e-book please let me know that i can include it into the next e-book.

I hope I was able to explain you how the markets move and how this business works at all.
I also hope that you can use parts of my strategy to improve your trading and change your trading style to increase your odds.

Again I want to mention that this is my style of trading and everyone should adapt his own style until he feels comfortable and satisfied whenever he enters a trade.

Build up your own rules, stick em on your screen, write them on a poster and hang it up at your toilet.

Follow a strict moneymanagement / riskmanagement concept, NEVER break your rules.
Psychology is a major part in trading, so become chosey und pick the very best trade setups.

If there‘s ANYTHING you want to ask me, send me, tell me et cetera please contact me via mail or via skype or via forecfactory.com .
I‘m online at least once a day, mostly around 8 p.m. GMT+1 due to my daily job.

so long,

take care & trade well.
Yours sincerely,
Jonas

please donate some bucks if you did enjoy reading the book...
my paypal Mail : Jonas_Blickle@web.de

TRADING PRICE

the power of supply and demand

Jonas S.R. Blickle

....just to have a face for the book....

---

trading insights of a 21 year old forex trader

---

created and developed in 2012.
Tables,charts etc. are completely created and edited by myself.
I use MetaTrader 4 for screening fx pairs.

Author of this E-Book is Jonas S.R. Blickle a.k.a PhanTi from forexfactory.com
Please use my Skype addy ,‘ **BO.onas** *,‘ for* ***any*** *request or write an E-Mail to jonas.blickle@googlemail.com*