

ALIEN VISUAL TRADING SYSTEM

"The more you learn the more you earn"

We are going to start off with learning the RSIOMA to keep us on the correct side of the trade. Later we will add to that, to show you long term direction that you can ride for weeks, to make the larger pip harvest.....

Weekend Food for thought. Simple System for locating Near Tops and Bottoms on Larger time frames or Smaller time frames.....

I started with the Daily and you will noticed the RSIOMA is compressed up against the top of it's window.

I then start looking for the same in the H4.

I also look for it in the H1 , M15 and then M5..... you can look for it in the M1 also , but I did not show that.....but do use it.....

Then I wait for the M1 and M5 to start unwinding to the south or short.....as the M15 follows the M5 and M1, I look for a place to start thinking about shorting it.

I Now Know where Price Action is NOT Going Much Higher and can safely enter shorts. You can spot Divergence in the RSIOMA as the PA drifts higher to a Reversal.....

You must monitor your trade once you set it, because it can retest the high again and may even go against you a bit but will not continue much higher with confidence.

You can now use this for finding bottoms and tops in all the intermediate Time Frames as the Price Action moves around.....

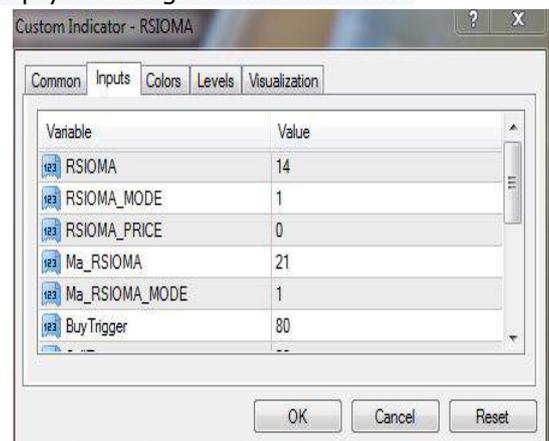
This is how I keep on the correct side of my trades.....We will get more detailed with this system in time to show you why Price Action Turns on a Dime and takes it away from you.....

When there is not much space between the Two signal lines or they are flat around the 50% line , DO NOT TRADE during that time.....Wait for clear indications and power to move the Price Action..... We will be adding a special ADX system to this in the future to help you find great entries.....

RSIOMA MetaTrader indicator – this indicator takes two moving averages, calculates their RSI (Relative Strength Index) and then also adds a moving average of the calculated RSI. These two lines now can accurately signal the trend changes. They are shown in the separate window where they change from 0 to 100. Additional histogram indicator is shown for quick reference below the lines.

Input parameters:

- **RSIOMA** (default = 14) – the period of the RSI and the moving averages that are used to calculate the RSI. Increase for smoothness, decrease for signal frequency.
- **RSIOMA_MODE** (default = MODE_EMA) – mode of the moving averages used for RSI.
- **RSIOMA_PRICE** (default = PRICE_CLOSE) – price levels used to calculate moving averages that are used for RSI.
- **Ma_RSIOMA** (default = 21) – the period of the moving average of the RSI.
- **Ma_RSIOMA_MODE** (default = MODE_EMA) – the mode of the moving average of the RSI.
- **Other parameters** – configure the color settings and the trigger levels for the lines. It's highly recommended not to change them.



I use this for scalping, swing trading and soon with long term position trading

On the picture the bold blue line is RSI of the moving averages, the thin violet line is its moving average. RSI above MA and RSI above level 50 is a signal of a bullish trend. RSI below MA and RSI below level 50 is a signal of a bearish trend. One can also buy when the RSI breaks level 20 from below and sell when RSI breaks level 80 from above, but those are weaker signals. Histogram provides quick reference. Green lines signal BUY, red signal SELL, magenta mean overbought, blue mean oversold.



Looking at the H1 on UJ - The RSIOMA is in the lower window, Ignore the other indicators for now.

The H1 RSIOMA is compressed high against the ceiling of the window "Marked A, we are looking for a break of that compression to the downside.

You then look at the next lower time frame, the M15 to look for clues to when the H1 RSIOMA might break to the downside. Divergence in the price still climbing, and the RSIOMA is slowly falling away creating this Divergence, this is the clue that the H1 is soon to come down.

To take this one step further , you can look at the M5 and see the strong fake to the long side and then it crosses back down to give you a great entry.

As time goes on in this Thread , we will be adding other indicators that will give you more clues to when the price action will turn on a dime so you can be on the correct side of the trade.

I will feed this to you in small sections , so you will not get sensory overload and you will have the time for it to sink in and learn it....



We are looking at a UJ Daily Chart

When the RSIOMA is Above 50% the market is Long.....

When the RSIOMA is Below 50% the market is Short.....

When the RSIOMA is over 80% this is a Strong Trend, You place a trade and the trend has been in place for over a month, about 600 pips. now that's a trade !

The same goes for when it is below 20%, you better be short.

If you are afraid of trading the Daily, trade Micro's600 pips on a micro is \$60 profit and then gear up from there depending on your account size.

Next we will look at checking the other Time Frames of UJ to see what they tell us and what clues they might have for us.

Also we will talk about all pairs in here, I am just using UJ for the moment...

- 20 < **Strong sell** < 50 (**Selling interest**) < RSIOMA > 50 (**Buying Interest** > 80 = **strong buy**)

For me the safest trade in alien set ups is a well defined trend on daily or weekly tf with FULL ADX POWER and then jump on lower tfs and enter when 21 sto goes back to the trend. In summary: selling at the tops of pullbacks or vice-versa to buy.



So it is clear that the Daily is still Long, and you must keep that in mind when you start to look at the lower time frames to pick your entries.

Alien always says it's long until you are proven different.....

We see the H4 UJ here, and I high lighted the above 50% area, and you can see the RSIOMA is spending a lot of time in this area, which would tell you the market is Long.

I am not ready to talk about channels yet, but you can see the RSIOMA staying above 50% most the time and the price action coming off the lower trend line and moving to the upper trend line for entries and exits to be taken.

The Daily will turn down at some point in time, your need to watch the H4 for that to start happening.

As the RSIOMA starts to move to less than 50% and spend more time below 50%, a Daily retrace will be happening or a trend change on the Daily will be starting.



You have seen the H4 UJ.

Now lets match it up to the H1 UJ

Not knowing when the H4 will make it's next turn, I look at the H1, which gives you clear turns. You can take this example and keep going with it.

Not knowing when the H1 will turn, go look at the M15, and then the M5 and you can scalp with the M1



Remember UJ drives EJ most times.

FYI, 90% of days in a trend the EUR and GBP pairs start their daily retrace around 10:00 chart time and then resume trend between 14 and 16:00 chart time, give or take an hour

Simple System - When the RSIOMA crosses on 3 or more time frames the same direction or all are falling or climbing, with the power of the ADX increasing, this indicates a strong trend at the time.

This is better when they ALL have crossed the 50% line up or down.

This system is great for making sure you are on the right side of the trade **BEFORE you place a trade.....**

ADX starts it's climb on the M1 and the RSIOMA crosses down, the M5 tried to cross long and failed , the M15 paused and then crossed short.....

The main idea is to look at the RSIOMA on a few TF's and see which direction they are traveling to keep you safe.....



SIMPLE DS TRADE SETUP

I use quite different methods on the DS trades apparently, would be interesting to see more people weigh in on this.

1. I spot a DS distance on H1 or higher. distance 50 at least, RSIOMA at least above 60 (let's go for long example)
2. Check if RSIOMA and 21+100 stoch are in uptrend on TF one level higher (ADX in this TF not strictly needed, but awesome if there)
3. Check setup frame and one TF higher for divergences against the trade
4. Once DDS crosses its signal line on the setup TF, i drop down one TF to check :
 - 4a. green stoch above 50 and pointing up and RSIOMA pointing up OR green stoch pointing up and RSIOMA above 50 and pointing up
 - 4b. All 5 ADX powering up If all those are there, I find it gives me an extremely safe entry. I can see why you use the lower ADX for these setups on the setup frame itself btw, by the time my conditions are filled, these are usually rising indeed. Let's hope more folks jump in, the more angles we get on this system the better for all of us.

Divergence on the RSIoma are King for price to rest, or reverse
The RSIOMA with the Delayed Stochastic.

Get your chart set up with just the Price Bars , the RSIOMA and the Delayed Stochastic in a lower window



Make note of the 50% line , the 80% line and the 20% line.....
Make Note of the RSIOMA over 80% you should be Long.....
Over 50% is considered Long...



Setups for a trade :

-DDS 'slingshot' or 'rubberband' trades : significant distance between RSIOMA and DDS, RSIOMA preferably under 20/above 80 with DDS well in the other half. Sets up for a trade in the direction of the RSIOMA.

-Divergences between price and RSIOMA

confirmations for entry (ADX confirmation MUST be there too!)

-RSIOMA crossing 50 in the setups direction

-RSIOMA crossing 20/80 at steep angle in the direction of the setup

For setups you'd like to have BBSqueeze going on on the setup frame, for entries you ALWAYS want the ADX to start fanning out.

DS trade - you always need to be looking at multiple TF's to see if the H4 and the M15 compliments the trade.

The idea behind trading is not to be in a trade at all times, but to find the best trade with the higher odds of winning at it.

H1 - shows bollinger band squeeze, so that is a clue that something is going to happen , the BB it'self started to fall away as marked here in yellow, the green sto turned short and fell below the 50 line for a sell, the ADX started to power up one bar after the red vertical I put on the chart, the BBS using the dots below were red and you could of entered at the first green dot on a bar close, The bigger leader is where the RSIoma touched the close over line during the BBS and then started to move lower a couple hours before the move .

Before all this went down, I would have looked at the M15 , BBS, the perfect ADX compression, and then you have the RSIoma, green sto and everything else turned down for about 30 pips.....



best place to enter a DS trade is when the DS cross his signal line toward RSIOMA.

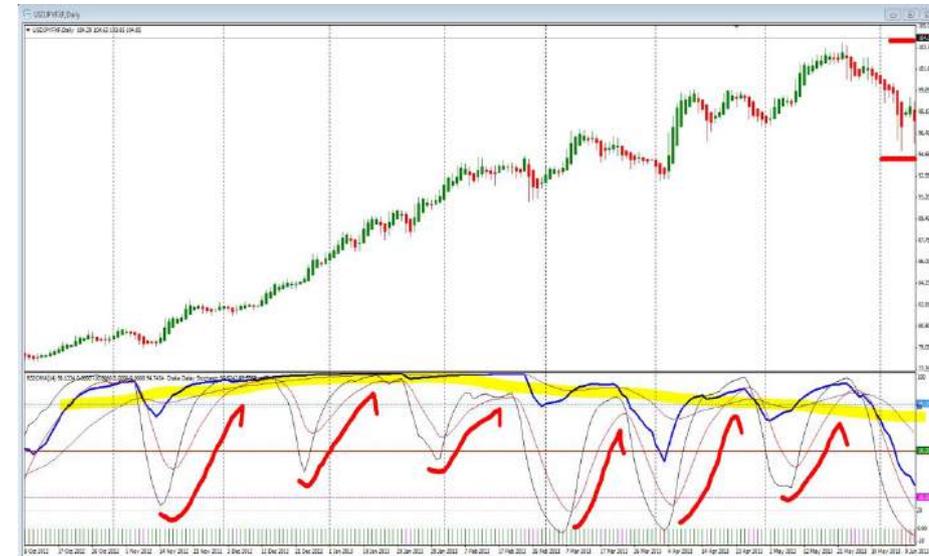
BASIC RSIOMA-DS SYSTEM

While the Blue RSI is Long "or short" in the 80% or 20% areas, when the Delayed Stochastic goes to the other side of the screen , **you have a sure trade that the Delayed stochastic will return to the Blue RSIOMA for profit.** This is a Daily Chart, you can drop down to lower TF's to find the

perfect entry to gain more pips.

It does not happen too often, but you will get times when Price Action just won't move for you, but this is a very safe entry as the RSIOMA can not drop to the bottom of the chart with the Delayed Stochastic once the spread between them is there.

When they travel together after some divergence

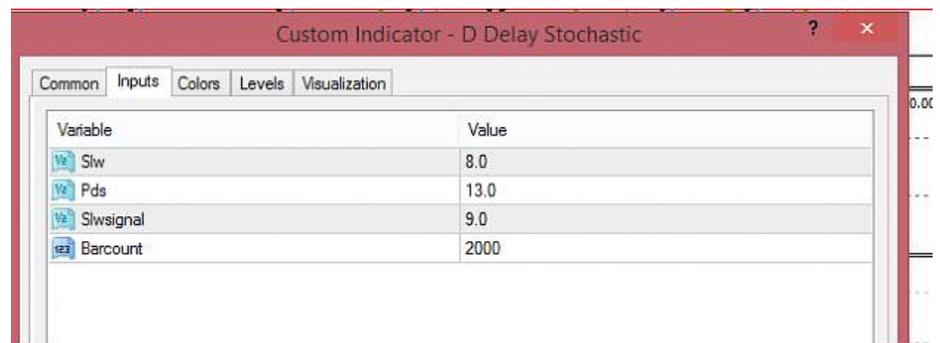


showed up, there was a 600 pip drop in the upper right of the chart. you can see the yellow line below falling away as price was still climbing, that tells us that price will not travel that much higher. Use your lower TF's to see the continuation of the trend as time goes on...

We have 3 different things to look at here.....

1. In the red lines on the left we see **Price Divergence "PD"**, lower price , higher RSIOMA, Price goes up !

2. At the start of the yellow marker we get a cross downward, the delayed stochastic drops fast below the RSIOMA and we follow the RSIOMA all the way to the bottom and wait for the cross up again.....



3. The far right red lines show the Delayed Stochastic leading the RSIOMA long again, but it is kinda choppy and slam dunks short again. at the cross over , 100 pips were waiting for you. Remember this is a Daily chart we are looking at.

This is a System all by its self , watch it, learn it, and Master it.....! you will see profits.....

In Time I will add the other concepts and systems to pin point entries and exits , and there are so many good opportunities when trading becomes like driving your car down the street...

Best opportunity on DS trade is to enter at the cross between Ds and his signal line. The DS rubber band on H4 seems not working out.

Keep it simple.....

Baby Steps.....

Look at the RSIoma as it breaks the 80 line.....

It is a great trending number, and when you can have it happen on multiple TF's , you have Big Price Action, **this can be a single system in it's self.....**

and re-read the thread for missed info.....



Alien's system is a perfect system specially when combined with basic charting tools: Fibonacci retracement and expansion, Pivot points, round numbers, support/resistance areas, trend lines and channels, higher lows and lower highs, reversal and continuation chart patterns like head and sholder, reversal and continuation candlestick patterns. If these are new to you it's better to stop trading and learn them first. after learning them you can understand the true potential of Alien's system. **Sorry the way to be a good trader is neither fast nor easy. But remember Mr. Alien's quote: The more you learn the more you earn.**

Take Baby steps first (one system only (DS or ADX or rubber band trades))

yes, I first started with just the RSIoma/DS system...

keeping it simple with just a couple timeframes is good practise to start learning waves within waves..

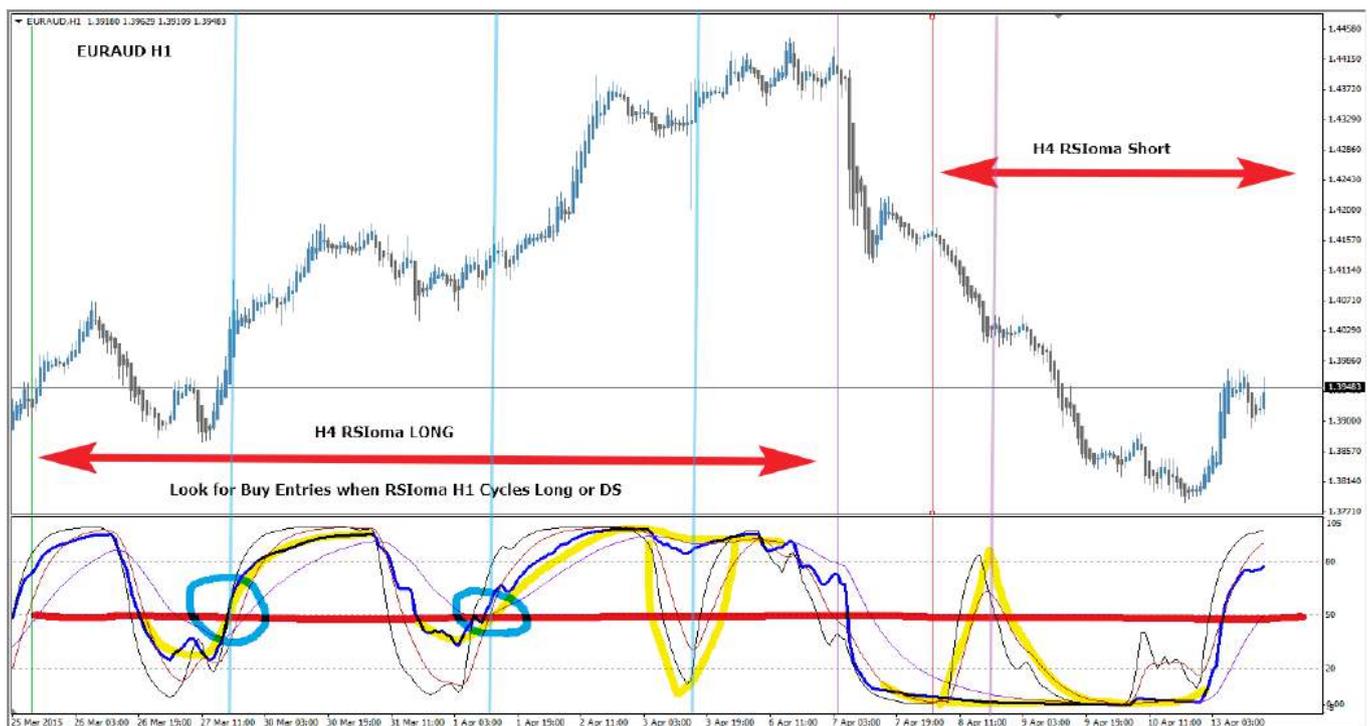
eg... EURAUD 4h:

Note when RSIoma crosses the 50 level for direction, and you can assume this is the beginning of a wave



then look at EURAUD 1h:

Wait for RSIoma to go short and then cycle back long or look for DS trades to now enter a wave within a wave...

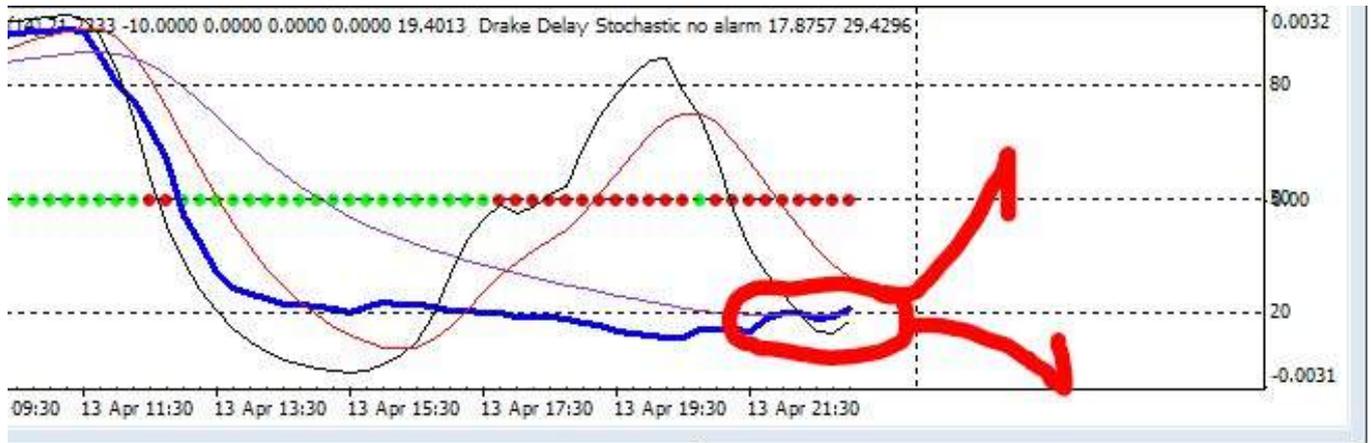


Now, if RSIoma 1h cycles short again while 4h stays short, we will have another opportunity for a sell entry.. simple.

Yes the RSIoma is a strange animal.....

When the RSI is expanding, the move is on, when it is contracting the move is slowing, **but another area to sit on your hands is when the RSIoma pinches together** .

This is where we don't know if it will crossover or expand again to continue on it's way.....



Your job is to look at each TF and only trade when a couple three TF's are turning the same direction.....

Get rid of the SL's and trade the direction of the green 21 sto, when it turns you get out.....

TIP: As the RSIoma is climbing out of a lower area, (in the red circle) see how the RSIoma just touches the the cross over line and then pulls away from it? This shows trend continuation, NEVER try to guess if it is going to cross or bounce, let it happen and then join the fun !



DIVERGENCE

To spot a divergence you have to wait for the turn (down in this case) of the indicator on Stocs. (1)

As you can see RSIOMA was long and broke your TL heading toward 80. (2) Furthermore DS was on a DS trade long. (3)

ADX were in full expansion on long side. (4)

Divergences are not in themselves setups; they are clues to spot a future move of price and they need confirmations. In any case don't anticipate them.



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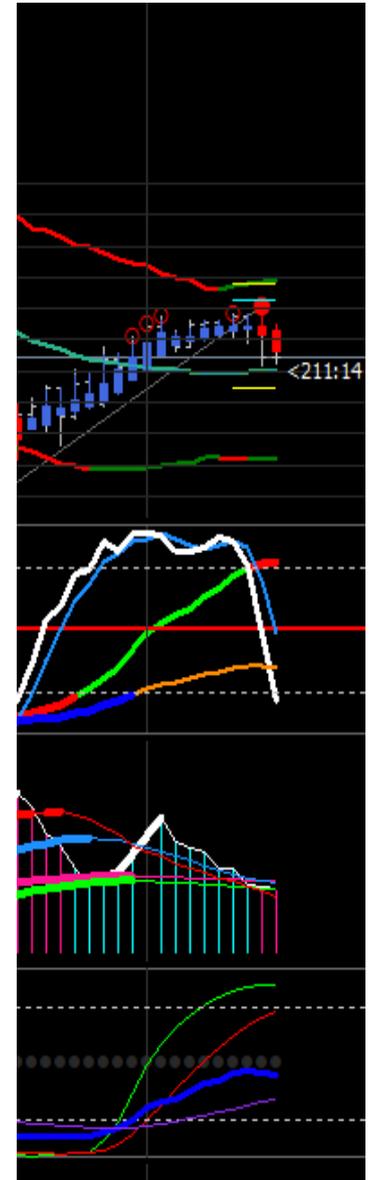
As far i know, on weekly tf there is no divergence.

In case some of you didn't notice,when the DS crosses the 8,3,3 sto is already oversold/overbought and that's not a good spot to enter because PA tend to pullback or even reverse like happened to AU.

So if you only trade when DS crosses its signal line,make sure that lower tf will resume again (adx powers up).

OR

When you spot a DS setup, follow lower tf and wait for adx expansion for that direction and enter (even if the DS didn't cross yet,we are able to lock some pips).



If you see a DS forming then look at the 8/21 sto's and their position, generally they cross in the direction of the ds still being formed. It's an earlier signal and very mechanical to detect, apart from a few failures of the ds, which do occur but rare if RSIOMA stays flat, this combination gives a good early entry into the ds move. If a ds does fail this does give a good chance to get to BE or very small loss if it turns quick

One is just happening on GJ H4 now, see picture

Just a thought



TIP:

Keep your trading more simple for those who are having trouble yet, it will come to you with more seat time.

Look for the BBS's and the price to pop.

then Look for the ADX compressions, make sure the ADX 89 and 144 are moving long also, and follow them to their end.

Maybe stay away from the stochastics for now, but they do have great info once you learn them.

and use the RSIoma and DS to follow the continuations of the trades.

Use the ADX 89 and 144 turn down for your exits.

trade with smaller trade sizes until you have confidence in yourself.....



Scan as many H1 and larger charts as you can and see if you can find the separation needed to place a trade when the markets open. I will look also for examples for us.....

Here is an example I projected 11 hours apart by looking at the RSIOMA , and on the H4 on the right as well as the H1 on the left, you can see it was dropping and then going long, which it did.

When we get into live trading next week, I will point out what I see in real time so you can learn also...



SCALPING WITH MULTIPLE RSIOMA

I want to share a secret weapon with you! 🐱

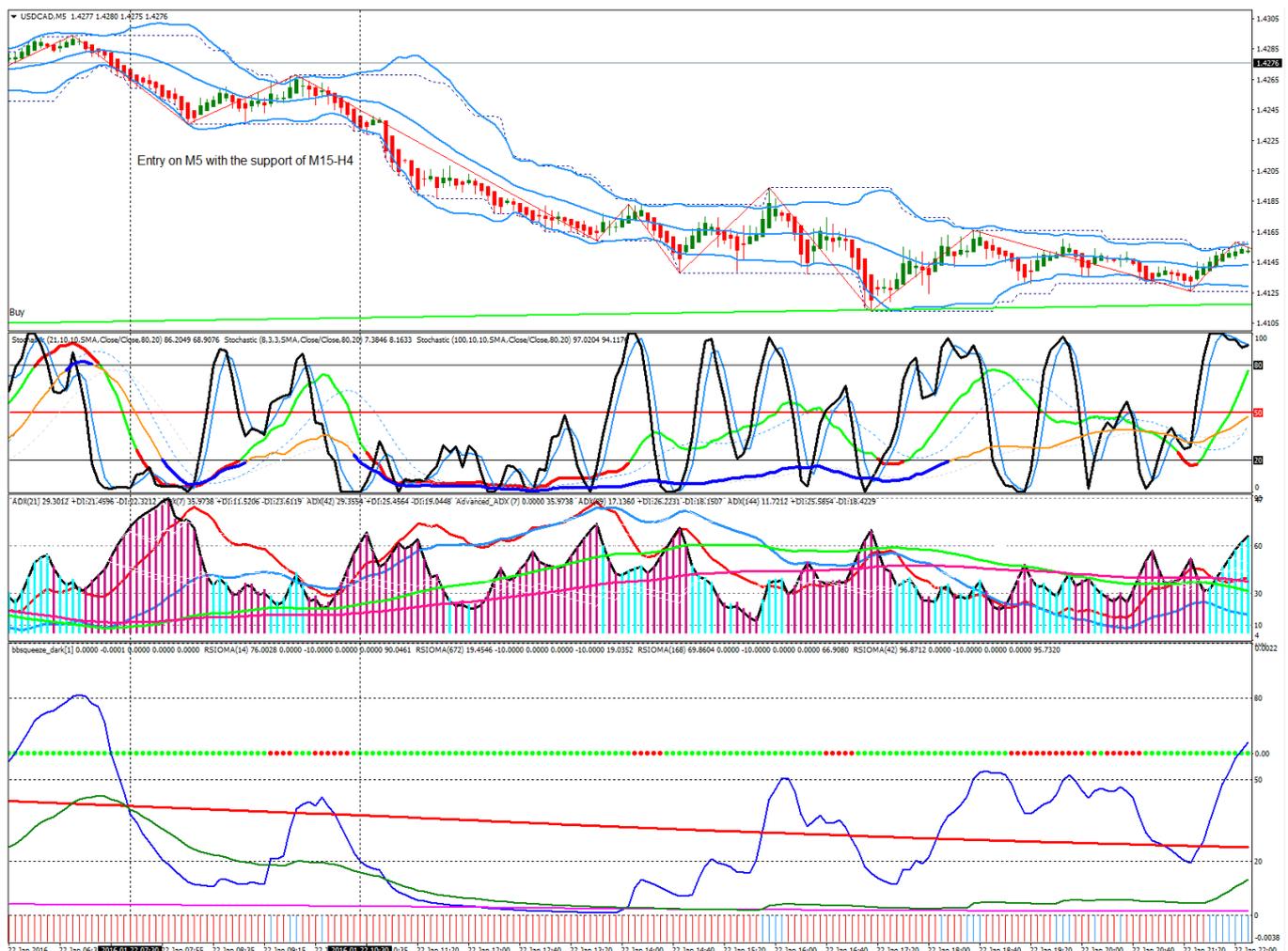
Do you remember what Alien said about entering at the right moment when all the long, medium, and short waves line up and move in the same direction?

Also do you remember he showed us an example of very low risk trade?

Now here you are. You can easily find these setups and also back test this entry rule with a little trick. Instead of looking multiple charts from M5-H4 to find this setup you can have several Rsiomas in one window. the setup is easy. go to 5 min chart and put the Rsioma Indicator on the chart with its default setting of 14. so if M5=14, M15=? correct 42. put another Rsioma with 42 value and for H1 and H4 put a 168 and a 672 all on the same window. then color code each one and enjoy. Now you can have a top down view of the current pair. Now the entry rule (for shorts) is when H4- M15 are below 20 (or moving down from 50 line[it is more risky]) and m5 is making an approach for 20.

you can also use my template below. m5= blue, m15= green, h1= magenta, and h4= red

beware you should use it on m5 chart. if you want to use it on other time frames you should change the numbers accordingly.



1- I have been using multiple time frame Rsioma alignment for about 6 month. It is very very reliable especially when combined with the power of ADX for momentum. The cross idea is new and needs more testing. But during my visual back testing I saw 4 types of M5 Rsioma behaviors which are surprisingly accurate:

- A- Whenever it approaches the 80 line when most of the others are above 80.
- B- Whenever it crosses the 50 line and moves in the direction of others
- C- Whenever most of the higher time frames are above 80 and M5 goes down and suddenly in a V shape move comes back.
- D- Whenever it crosses others. (this one gives not only nice trend following signals but also nice trend reversal signals)

2- I stated before but on average you win 4 out of 5 trades and you will be given opportunity to move your SL to break even 9 out of 10.

3- I use swing high/low and daily pivot zones and Fibonacci zones for my stop loss. but I place it somewhere that when it hits it shows me that the probability of going the opposite direction is higher. (for example beyond Fibonacci 61.8 or 78.6). after that I calculate the amount of lot based on the percent I want to risk on that particular trade.

4- Then I enter. I move to Break Even as soon as price moves the amount of my stop loss. Then I trail it. If I have time I use swing low/high method for trailing manually If not I use a fixed amount of trailing stop and let MT4 does it for me. Exiting based on 89 and 144 ADXs is also a safe way of not leaving too much money on the table.

5- Some times I take part of my profit and let the remaining run and trail them base on higher time frames swings. This way you have a chance to ride a 500 pip trend with the initial stop of 20.

Don't worry too much you lose sometimes but at the end your wins not only cover your losses but also grow your equity. Do not give up if you see some false signals. Do not try to change the system. Do not try to add more and more indicators to filter this or filter that. learn the rules and you will see the results. Here another key rules of the thread (not all rules). be with them and you are safe:

- 1-Trade with the direction of higher time frame Rsiomas
- 2- Do not trade when you see Rsiomas in each time frame go to different directions
- 3- Do no trade against the direction of green stochastic
- 4- Do not trade without momentum. wait for ADXs to expand.
- 5- watch very very closely consolidation areas. most of the time price will explode after the breakout of the consolidation. use BB squeeze or as Mr. Alien said just draw horizontal lines from highs and lows of consolidation area and wait for price to break those.
- 6- watch divergence between price and Rsioma or Stochastic.
- 7- Ds trades have a very high success rate watch them.
- 8- Beware bounce hooks. They are very powerful signals of reversal. Use them if you can or at least respect them if you don't want to get burnt.
- 9- This is a visual system. If you see Rsioma is hanging around the 50 line with no clear direction find another pair. do not try to use a convince yourself that it is going up or down. if it going somewhere it should be clear at first sight.
- 10-Remember to let the trade come to you ! Don't Force something that is not there

The H1 drives the H4 which drives the Daily is how you need to think.....When the H1 pulls down the H4 , it will pull down the Daily.....

look for the crossovers...

TIP and Definition: RSIOMA Time Frame waves, Lower time frames drive the higher time frames until one of the time frames FAIL.....When the RSIOMA crosses the 50% line to the other side of whatever time frame, it needs to be watched and see if it stays there. There are other indicators like the green sto and adx should confirm the change.

Let's say M1 to Month charts are all Long, rsioma, (I really need to get a picture of this for a visual)

At some point in time the M1 will start unwinding to the short side, bringing the M5, bringing the M15 etc.

Now we don't know how far this is going to go, it may stop at the M15 and reverse back to the direction of the Long trend **or** this may go to H4 and then again starting with the M1 will reverse going back to the same direction as the trend again.

I know it sounds mind boggling right now , but at a glance you should be able to look at the RSIOMA and see that H4 - Month charts are all Long, the H1 is short, the M15 is short and the M5 and M1 are long. So.....

Main trend is Long H4 - Month, reversal or pull back on the H1 and M15, and the M5 and M1 are long showing us a possible direction change of the H1 and M15 back to the Long side again, this would be how you read that. It becomes easier in time when you have trained your mind to look for those things.

Trading is not easy, most are losing money all the time, I am just trying to get you up to that next level so you might be able to break even until you can master some more concepts...

I do not watch any index's, too much work and confusing.....

M15 and lower will have periods of low volume and the DS may take more time, and the reward is less during low volume also.

H1 and higher DS's take a few sessions to get through, so there are periods of low volume and session times.

But a M15 DS will still produce the same results, just not as much reward.

bollinger bands Squeezes and ADX compressions we look for before the trade takes place, a warning to look for a trade is near. A DS trade is also another warning along with a a CROSS X trade set up, once you find one of these 4 conditions, you start to look for the setups, which include ADX expansion, DS cross over, CROSS X trade , 8,3,3 and 21,10,10 going the same direction, also stochastics opposite of each other , rubber banding back to one another.

It's all about riding the waves , the shorter TF's move the larger TF's, IF the shorter TF's change direction, then so will the Larger TF's, it is really simple, don't put so much thought into it.....

You will never catch the start of trend no matter what system you use. When you trade, your goal is to catch the wave three or the wave five in an impulse move, or wave b in a correction.

Just follow the rules and you will be just fine.

The weekly chart here showed us that UJ was going long 2 months before it happened, just by seeing the delayed stochastic drop away from the RSIOMA that was still up high...



Short summary

Short time frames pull longer time frames along. If a short time frame turns against the longer time frame, look for it to turn back and pull the longer tf farther in the direction that it had been going.

For longer term trades, look at the long tf charts for direction first and trade only that direction. Look for spreading and rising ADX and RSIOMA agreement on each chart. Then you could use the H4 for setups and verify that H1 and M15 are pulling the H4 the right direction.

For shorter term trades, use a shorter tf chart such as M15 to find setups and verify that M5 and M1 are pulling the M15 the right direction.

ADX is important. An ideal setup includes a compression of the ADX followed by all five speeds turning up. The histogram must be the correct color.

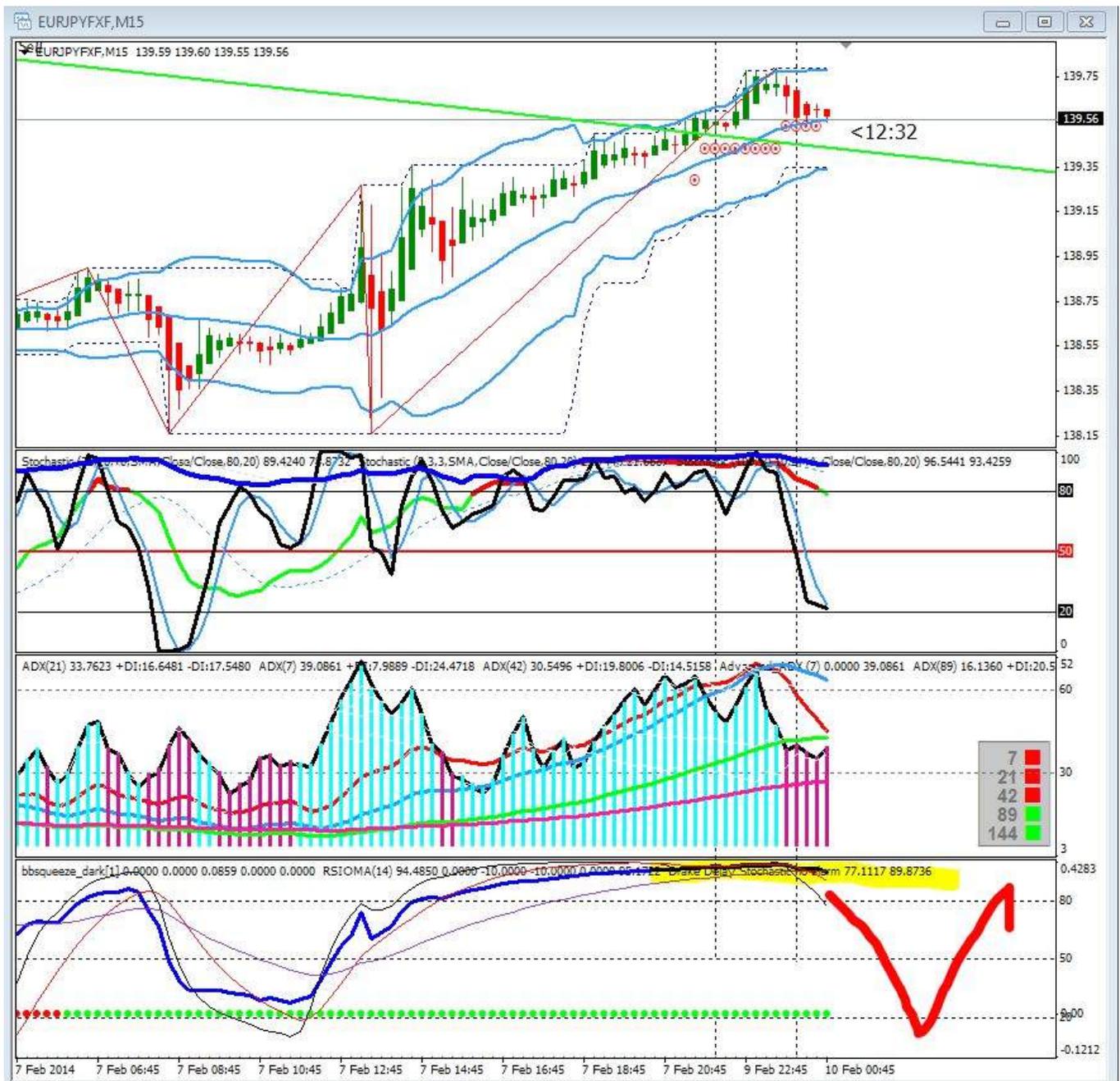
BB squeeze is a clue that momentum will pick up soon. Trade in the direction of the BB slope.

RSIOMA must be above 50 and climbing or above 80 and at least level for a buy trade and the d stoch must have crossed up. For an RSIOMA/delayed stochastic divergence trade, the RSIOMA must be above 80 and the d stoch must be far below and cross up.

The green stoch must be above 50 and climbing or above 80 and at least level. While the green stoch is climbing, it is ideal if the 8, 3, 3 has crossed back below it and then tuned back up. The 8, 3, 3 crossing 50 at a steep angle is a good clue.

Look for divergence between the RSIOMA or green stochastic and price action. Also between the RSIOMA and delayed stochastic.

TIP : Anytime you see the DS start to drop away from the RSIoma , this means the market is resting and to not trade at this time.....

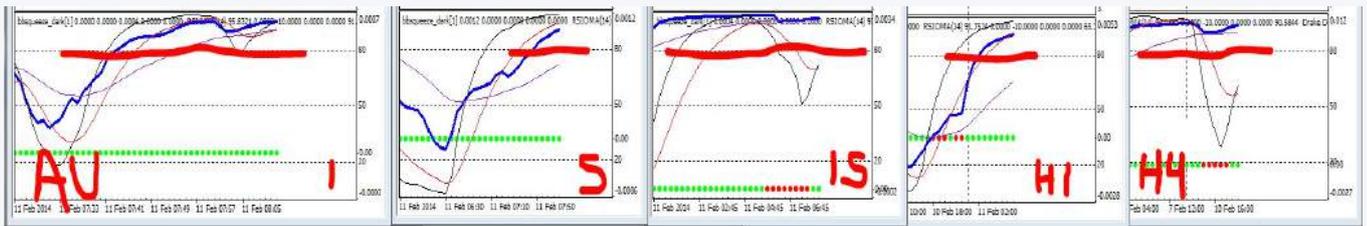


WAIT for the lower TF's to become aligned with the larger TF's and trade the trend , because you have just found the bottom or top of the reversal coming back at the trend.....

During your trade , you need to analyze any changes in other TF's and time marches on. The market is at rest on a Sunday night and the H1 charts take time to set up for the next bigger moveLook for your BBS's , they are your friend for the start of a new trade.

TIP : The smaller the TF you follow, the less pips you will get, If you follow the larger TF's and trade off of them (BBS's) with entries in the Lower TF's , this is where you catch the 600 - 1000 pip runs or trends.....Practice looking at the Monthly and Weekly and Daily charts like you do the M15, M5, M1 and you might amaze yourself what you will find sometime.

TIP : When multiple RSIoma's are over 80 or under 20, a trend is in progress and safest way to enter the trend would be if M15, H1, H4 are all above 80 and then when the M5 and M1 make an approach to the 80 line, time to get in.....



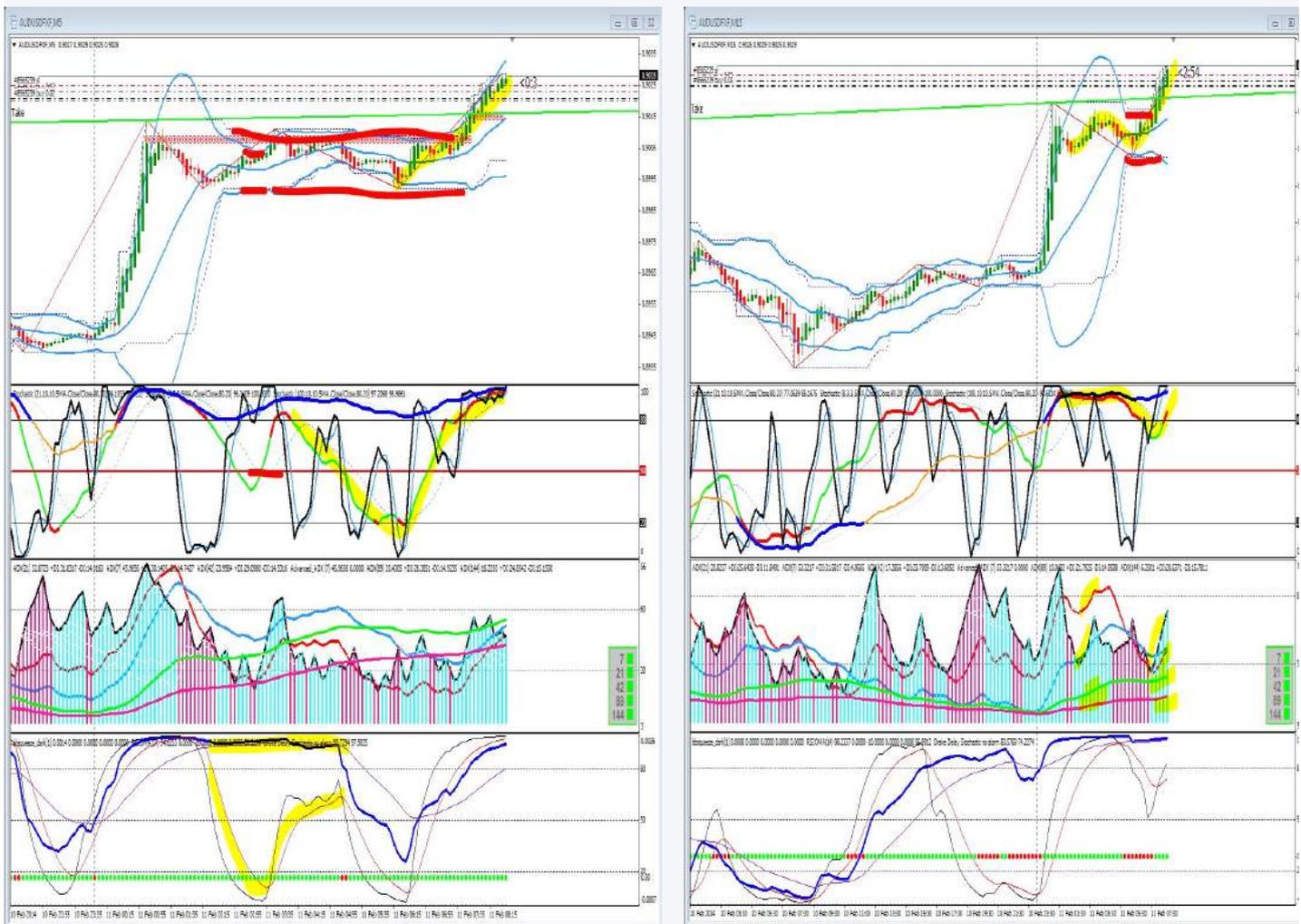
When things are mixed and not trending, do not trade, it is tough to not pull the trigger , but Impatience is the ruin of most traders.....

TIP:

AU M5 started to range and stay in a tight BBS, it waited for the green sto to go all the way down to the bottom to make sure price was going to stick before going higher.

AU M15 - Notice way the M5 was waiting in a long BBS, the M15 had to create it's own BBS squeeze first, before a break out could happen, so this would be where we sit on our hands during the M5 BBS instead of entering a trade.

We can see on the M15 the 8,3,3 bottomed and went long again, adx expansion, and a small DS reversed.....



Multiple TF tops or bottoms are the bigger and best trades.....

DIVERGENCE

If we are looking for divergence, I use the **trend lines on the bottom to go long** and **on the top to go short normally** with the RSIoma or Green sto and the PA.

TIP:

On the chart below, The green sto is traveling downward, the trend, the 8,3,3 is traveling long, **making price action divergence against the trend**, these 2 together make a CROSS X, **This is actually price divergence**, as the 8,3,3 (high probability) travels back downward, This pair of stochastics will pick up steam together as they both travel the same direction downward. This will make the DS get lower, and if the RSIoma is in position high enough, we will get another trade long again, in a couple of weeks or less.....
This Cross has been posted before.....



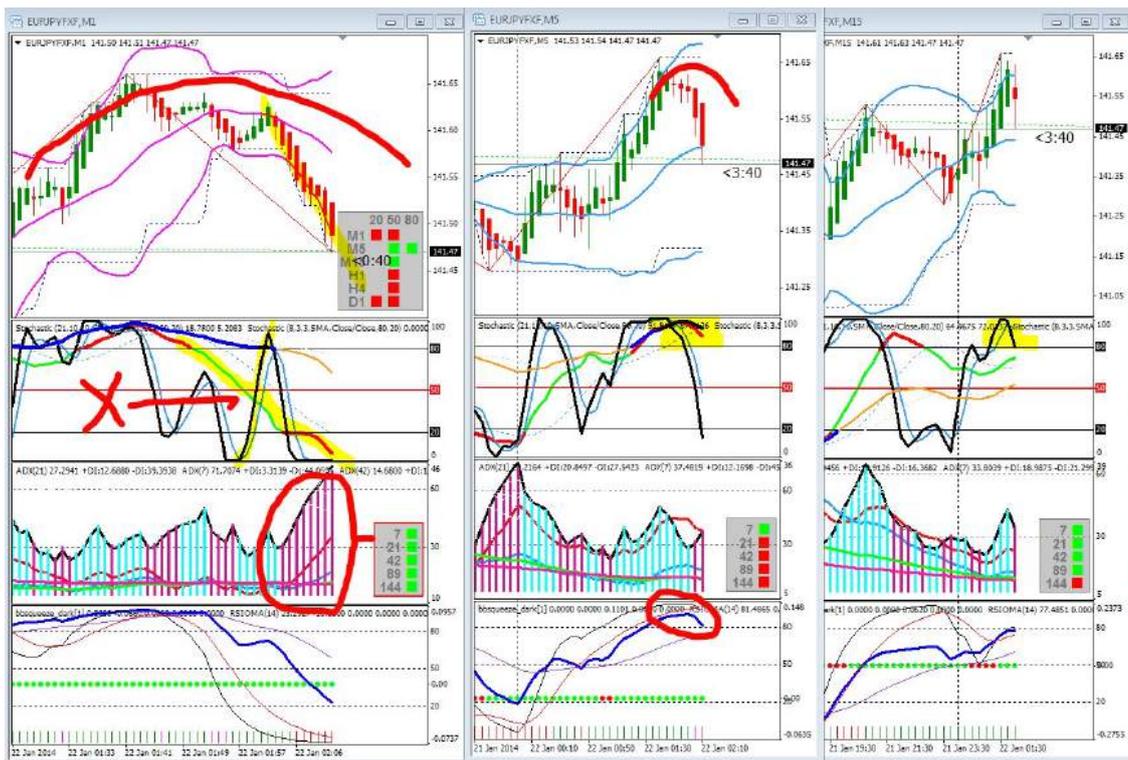
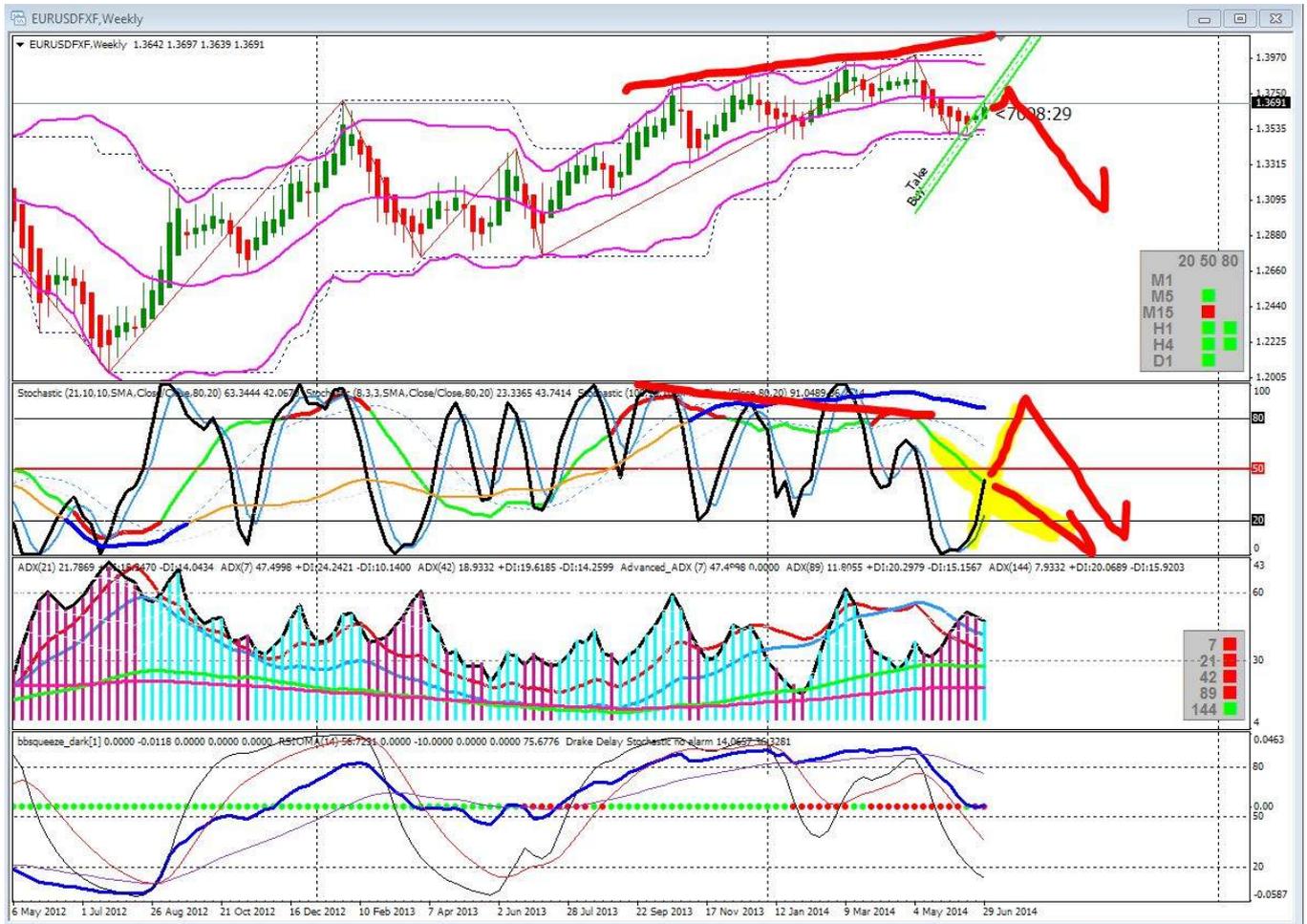
In our alien system we use as indicators the RSIOMA and the green stochastic. First look at RSIOMA and try to spot the peaks and the valleys, then check where the priceaction was at those points, and see if you can spot one of the four patterns described above. Then do the same with the green stochastic and price.

For example, if you spot a divergence occurring on the H1, you can drop down to M15 or M5 and wait for a confirmation from other alien signals to enter the trade as soon as you see momentum going in your favor.

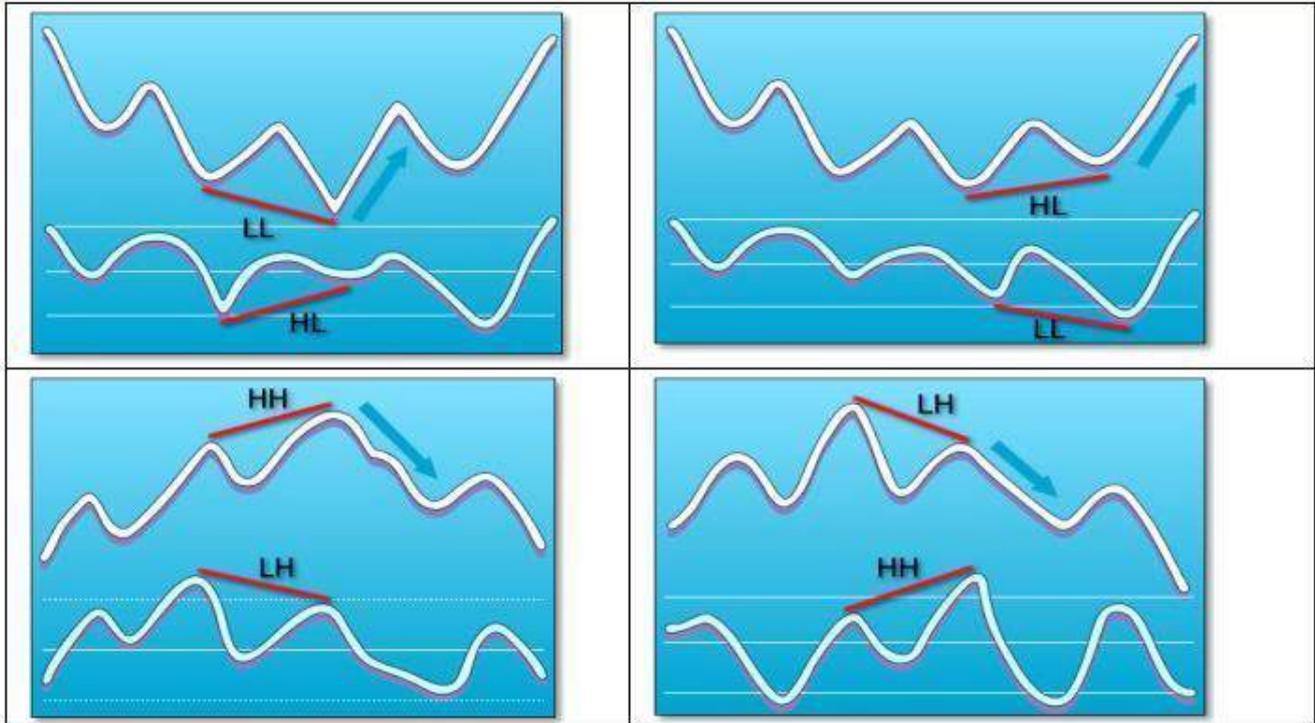
We also discuss DSdivergence in this thread. This is when the RSIOMA and Delayed Stochastic move away from each other. if RSIOMA stays above 80 while DS moves below 50, this is a signal of a big bullish move in the making.

A CROSS would normally happen near the 50 line where the green sto is traveling one direction and the 8,3,3 is traveling the other direction.

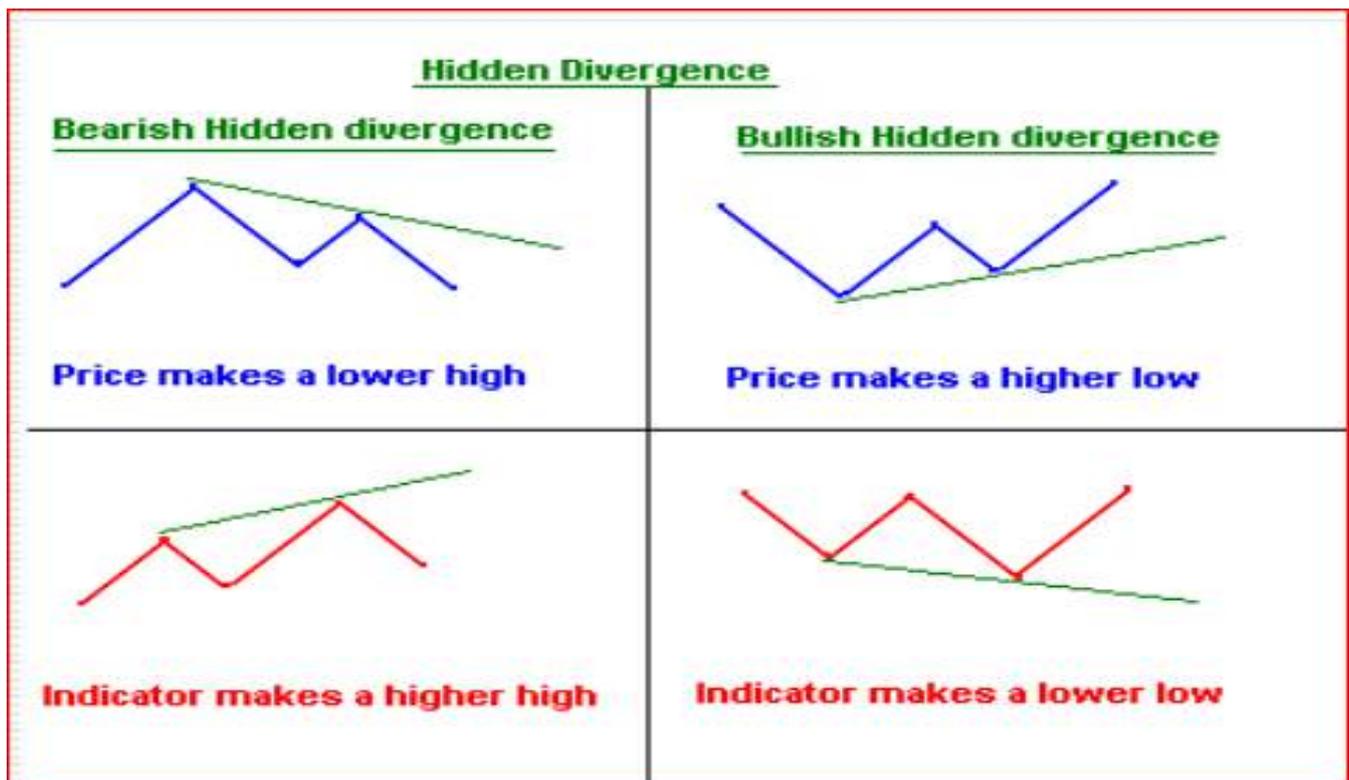
And when the 8,3,3 turns the same direction as the green sto, that would be the money wave 3



CLASSIC DIVERGENCE EXAMPLES



Divergence Type	Price/ Oscillator	Trade	Divergence Type	Price/ Oscillator	Trade
Regular (<i>bull Div</i>)	Lower Low/ Higher Low	BUY	Hidden (<i>bull Div</i>)	Higher Low/ Lower Low	BUY
Regular (<i>bear Div</i>)	Higher High/ Lower High	SELL	Hidden (<i>bear Div</i>)	Lower High/ Higher High	SELL
<i>Sign</i>	<i>trend reversal</i>		<i>Sign</i>	<i>trend continuation</i>	



Other Stochastic Clues.....

Anytime the green sto **reverses on the same side of the 50% line**, something is going to happen.....



The **green sto** direction is the trend, the 8,3,3 is the waves created during the trend,

When both are going the same direction.....Time to get in.....

ADX FOR MOMENTUM

I will teach you my 5 speed ADX,

When all 5 speeds of the ADX turn Up, you have a strong trend starting.....

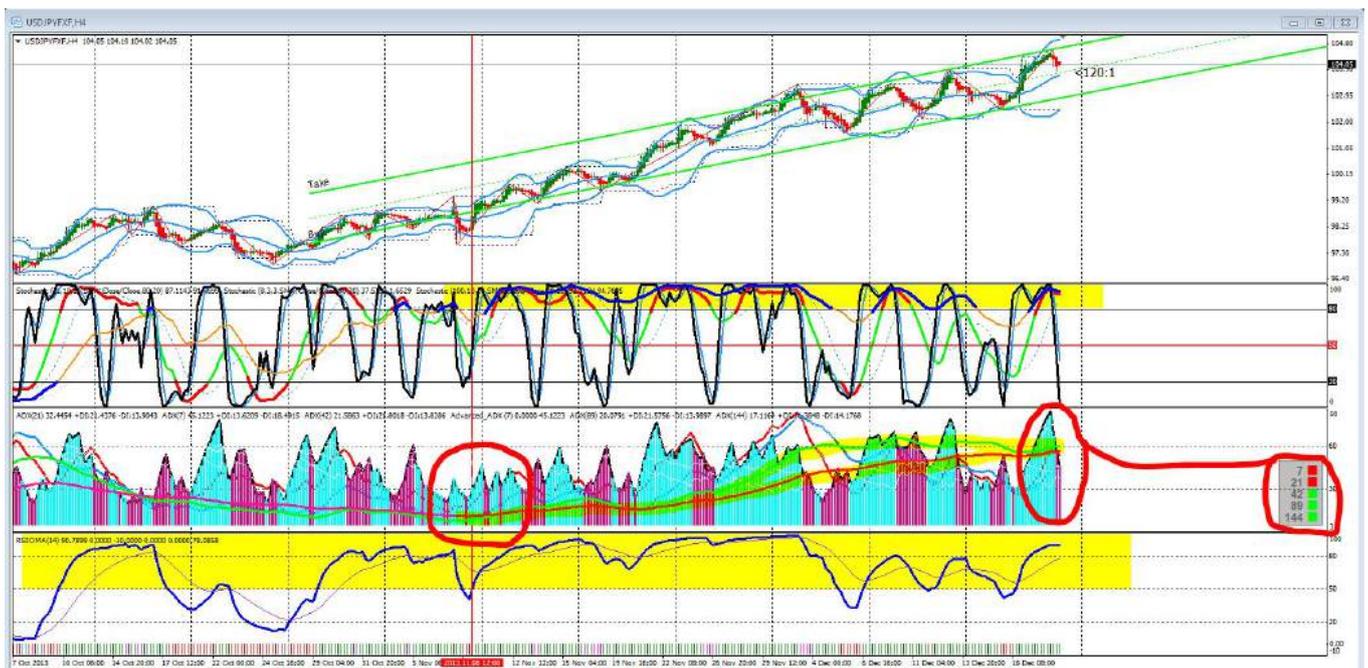
When all 5 speeds of ADX turn Down, your strong trend has ended.....

The first chart shows a larger shot of UJ and I circled where the trend started.

The Second chart show a close up of the 89 ADX Green crossing under the 14 ADX Pink, right at this point all the ADX speeds are long and this Signals the start of the Strong trend.

The speeds used are 7, 21, 42, 89, 144, - The 7, and 21 will saw tooth up and down as the waves are created, the 42 speed when it turns down is a short term retracement or resting period for the price action.

Only until the 89 and 144 ADX speeds turn down is the strong trend over. In this example the trend is still long as so the 89, and 144 adx still are long.



When the ADX 89 and 144 turn back down, all that means is the climbing has lost it's power to continue long for now. It is at rest now. I would not trade at this time and watch to see if all the ADX line relax to a lower position near 30 or below.

Price action has momentum and then it rests, then it either has more momentum in the same direction again or it starts a retracement or a reversal, and we will talk about that another day soon.

For now, follow the ADX when all 5 speeds are powering up during a short or long move, and work on the Divergence with the RSIOMA and delayed stochastic.

These 2 are basic building blocks for my trading system for a quick scan of the charts....

Above 50% you can see your waves make higher highs, above 80% is when you have a strong trend.

The wider the spread is on the divergence to the delayed stochastic and risoma, the better the trade outcome will be...

Keep in mind what an ADX actually is: it takes the amount of movement over an averaged period into account (7 candles, 21, 42, 89 and 144).

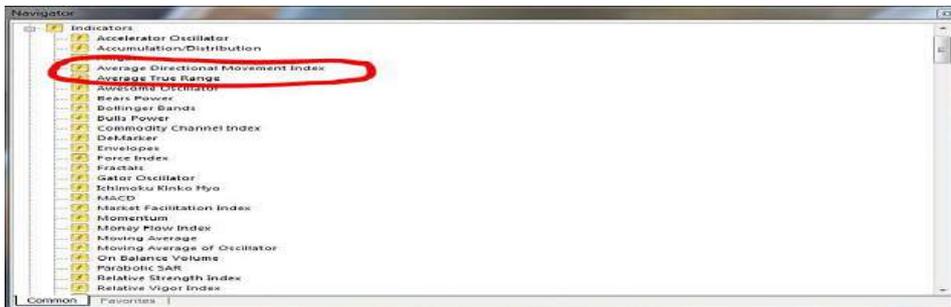
7 is a primary number in math.. 3 times 7 is 21

21 is a fibonacci number and I doubled it to make 42

42 is about half the distance to 89, to fill in the void..

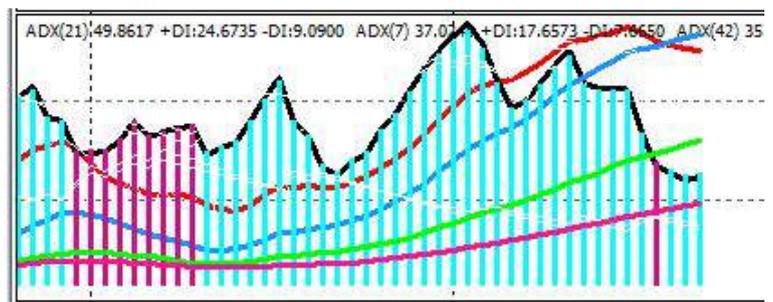
89 and 144 are fibonacci numbers

I have found if you watch these ADX speeds cycle up and down , you can count the waves and know there might be another push long or short. The ADX 89 and 144 will also tell you to stay the trade if they are still climbing....



The ADX Lines are a Basic ADX in the MT4 and you will have to add 5 of them to the same window, with each of the settings of 7,21,42,89,144, and the what ever back ground color you have on your charts, take the D+ and the D- and make them the same color as your back ground chart color, which will make them invisible.

Go to the MT4 navigator and get the Average Directional Movement Index and load onto your chart with each setting. After you do the first one , you will have to drag and drop the next one into the same window and give each one a different setting 7,21,42,89,144.....



The Final Multi ADX Average Directional Movement Index with the Advance ADX and the 5 separate adx lines should look like this below.....

Just drag each one into the same window and give them a different speed number...

The core idea of the system is to find a setup, then drop down and be patient until ADX-confirmation in the direction of the setup. In your example, you'd need a setup on the weekly, and then enter when the daily confirms direction.

Any trade on a low TF can evolve into a higher TF trade during its lifetime though : if i enter a trade on M15 (after finding setup on H1) and decide to stick with it until there is no more ADX 89/144, I can keep an eye on the H1 ADX's. If the M15 ADX drops away but the H1 ADX is going strong, I'll move

stoploss to BE or better, and consider it an H1 trade instead of M15. If I'm lucky, i can do this again and again, until I have a trade going on daily, while only risking a stoploss on M15. Depending on the pair, that's a stoploss of 30-50 pips instead of 200-300 pips.

Dropping TF's not only gives you earlier entry, it also limits the size of potential losses.

ADX ONLY SETUP

I just came up with this simple trading idea to keep everyone in the trend. less to look at and simple to use.....

If you were to just trade the ADX 42,89,144, wait for it to compress and then expand, and don't exit until the 42 adx crosses over the 89 and 144.

This will keep you in the game longer.....

1. BBS
2. ADX Compression
3. ADX Expansion

define the trend with middle bollinger band and with (if you like) MTF analysis but i think it is not



absolutley necessary because we have a BBS and we just want to catch the movement with this

Here we have the ADX 42 crossing the 89, lets see what happens.

Notice the BBS and the BB sloping downward for the direction of trade.



I would think as long as you are getting the ADX expansion and it fans out keeping separation from one another, it would not matter what TF it's on.....
 Remember that a line cross in the ADX window is accurate only if the minimum and maximum are set the same for the 3 ADXs. FIXED settings Min = 0 Max = 50

I high-lighted the CENTER of the BB, 21 setting is what I like to use. The direction of the Bollinger Bands at the time of the ADX expansion is the direction you would trade



- If 144 and 89 adx is still falling and far away from the bottom of the window, i simply stay away. 😊
- If 144 adx is flat AND at the bottom of the window, i wait for 89 adx to rise and then i enter a trade. 😊

The ADX does show or help with Divergence.

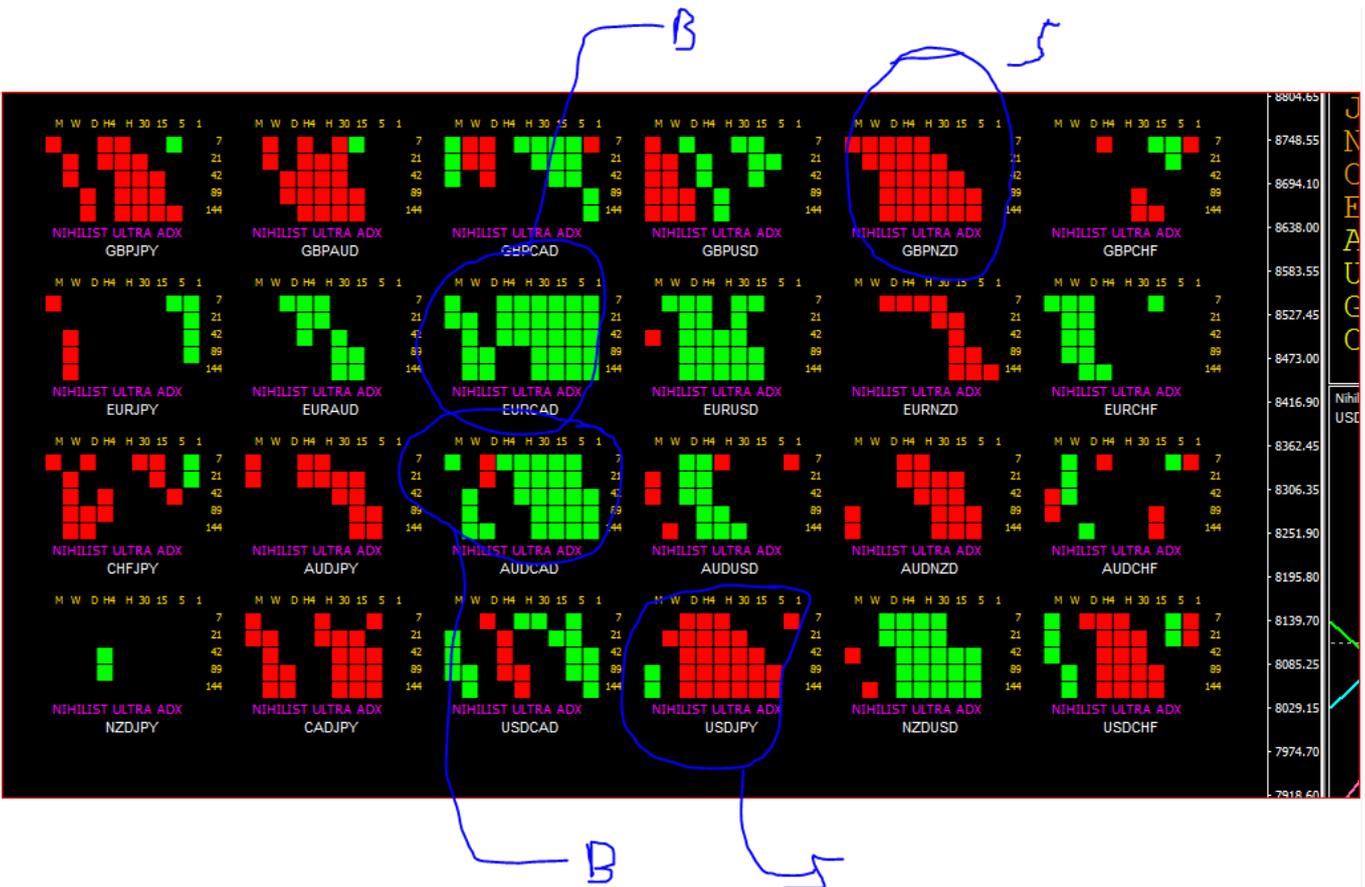
The 8,3,3 and the ADX 7 both show the same waves if you can train your eyes and get the information out of it.

If the 8,3,3 is dropping, then the ADX 7 histogram prints red for lower.

If the 8,3,3 is going up, it prints Green for long.....



This is, instead, how to check the pairs to trade every day. E.C. B= buy S= sell



This is how you look at the RSIOMA as it does a retrace or a reversal.

H4 is heading down

H1 is flattening out,

The RSIOMA in each time frame is rotating counter clockwise from down to up.....

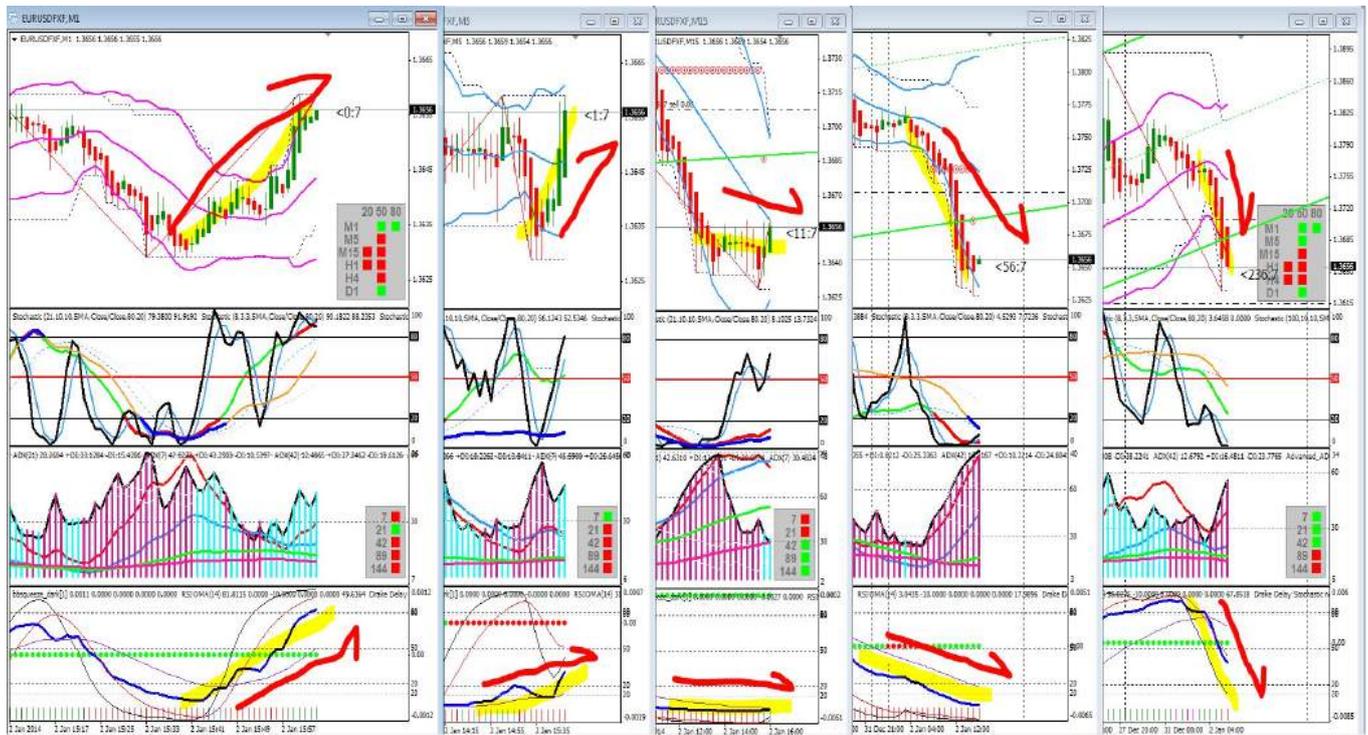
M15 is FLAT

M5 is ever so slightly going up

M1 has a steep climb to it...

Above all the price action is mocking the rsioma or visa versa.....

So, this is how one would look at each time frame, to follow the waves, as each one twists long and short, you can follow and forcast the next movement with some practice.....



The green stochastic turns red above 80% and red below 20% to show a strong trend is in place.....

The longer the green sto stays RED in those levels , the longer the trend will stay in place.

TIP: Never try a reversal when the sto's are in this area, they can stay there for days and weeks.....

ADX INTERPRETATION

The ADX lines only go one direction when the trend or momentum get's stronger. And that is **they will always climb during a stronger trend or momentum**. I will show two examples below, a long and a short example. I most of the time use the words ADX long which I should not call it that , because it sounds like I am saying to go long.

I sometimes say the ADX is powering up or momentum up would be a better way to say it. Does anyone have a good phrase to say the ADX trend momentum is picking up?

If you are using the advance adx histogram, it shows you the color and direction it is going without thinking about it. Red for short and bluish green for long, as in the examples below. Also the RSIOMA will be on the side of the chart direction, you just can't get it wrong with both of these together.

1. The safest trade is to have the ADX lines low and all start to climb like these 2 examples, this normally happens when the RSIOMA is over 80% or under

20%. when they are all lined up in order adx 7,21,42,89, and 144 and powering up, is the safest and longer term trade to take. You can just trade the first 3 adx if you like, 7, 21,42, but without the others, it may become a shorter length of trade. And you best use SL or watch it closely.

2. When the ADX lines are falling back to earth, this means there is no momentum. you might get a short term spike or a I gotcha trade, and it is possible to make other trades without this system, but they are more advance for later discussion. You can take trades without the ADX climbing or powering up to the moon, but you will need to use the Stochastics in window one to make those choices, but we are not ready to talk about that yet.

I always say the Market is mixed or at rest , when the adx lines are drifting back to earth.....

3. Do you pay attention to the way ADX`s are aligned? the best trades are going from low to climbing with all adx aligned , but I will show you on the UJ weekly, that the first push up in alignment is the largest move and the RSIOMA was above 80%, then the adx lines started to rest or become mixed, note the rsioma crossed down , but remained long at the 80% area, also note the delayed stochastic was at the bottom of the window before the next move long, we know the next move already, and the ADX's do not need to be in order for it to go long again. they are out of order going long currently, the move is not near as great as when they are in alignment. But I would still take the 800 pips..... we will have more detailed talks about the adx, but for now , we need to stay with the basics....





TIP: This is a great example of the ADX being compressed down to nothing, this could be a trade alert all in it's self.

You look for this non movement of the ADX and wait for it to expand or explode.....!

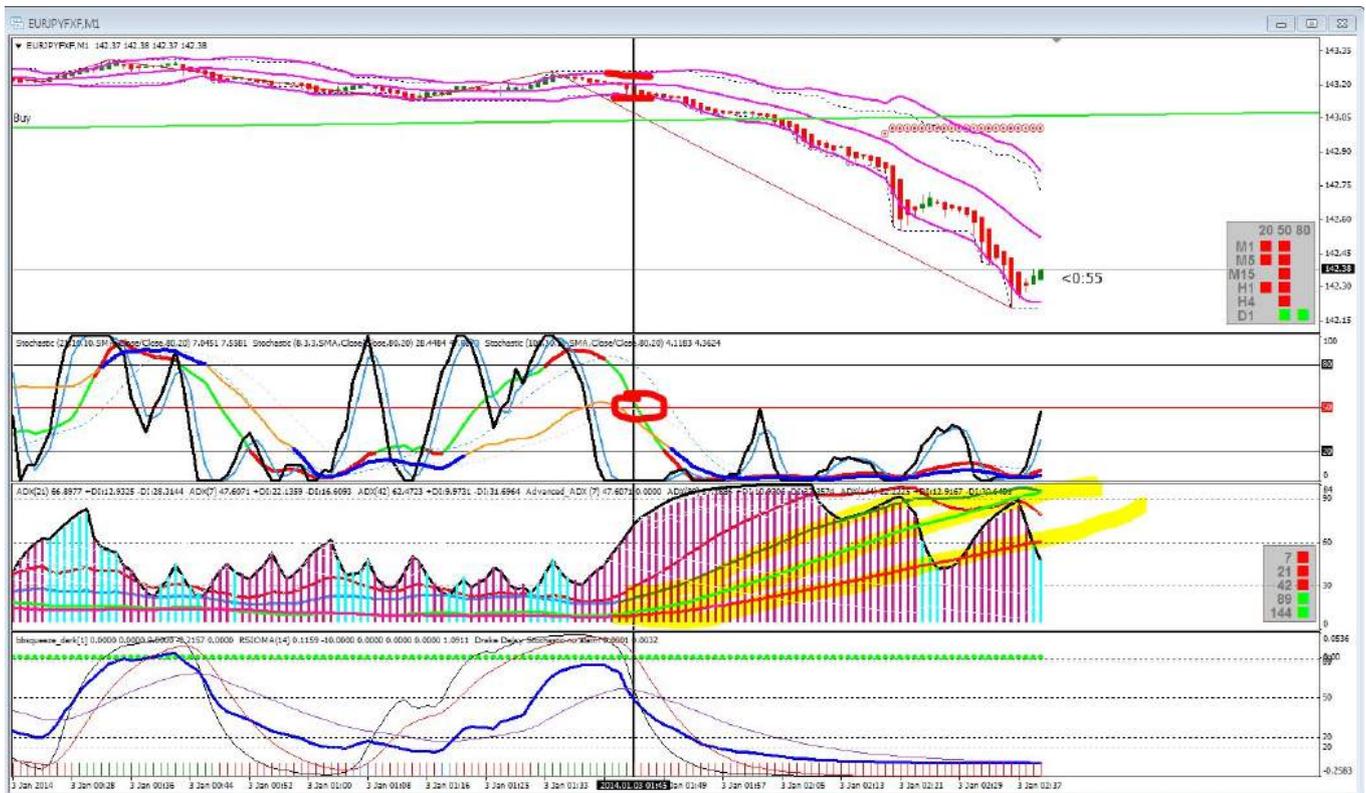


TIP: If you make note of the direction of each time frame from the month on down, you will get a good idea of the direction you should trade , with the time frame you had in mind.

If the larger TF's are mixed and going opposite directions, drop down to the lower time frames that are going the same directions and trade those. If the Larger time frames are trending together in the same direction, and the lower TF's are mixed, WAIT for the lower TF's to become aligned with the larger TF's and trade the trend , because you have just found the bottom or top of the reversal coming back at the trend.

These are great examples of staying with the trade, follow the 42 ,89, 144 ADX all the way till they turn back down.....

Look at the 7 adx how it turns back up and creates the next wave of price. When ever you see the 7 adx turn back up a few times , get on the band wagon...



TIP : so watch the M1 rsioma turn long and will it bring the M5 rsioma long with it, and then will the M5 rsioma turn long and bring the M15 with it, and this keeps going for the transformation of a turn.....sometimes these turns fail and keep searching for a bottom. when I have more time , I will put together a larger example of this, so it can sink in as a new concept....

TIP: when working with synthetic pairs like EG, always look at EU and GU also and if there are traveling against each other at the same time, the synthetic pair will not move very far.

Also I noticed on the M15 that it was nearing a bottom to go long. It helps to make sure the time frames around your setup TF is in sync with the trade you are about to take. It only takes seconds to look at and make a good choice.

The last thing I saw on this chart was the green sto was flat and still above the 50%, a cross down below the 50% line would of helped the trade continue....



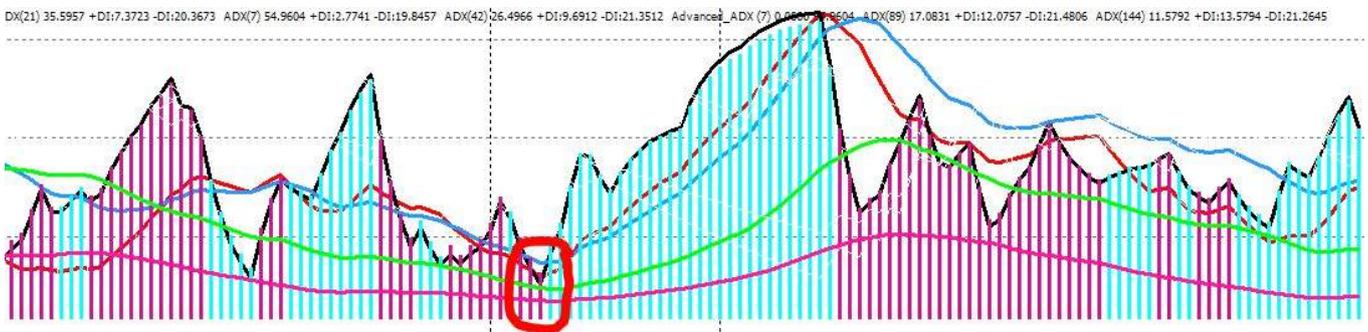
Momentum is only when all the adx lines are climbing. Long or Short trades, ADX climbs on both long or short trades....The histogram color tells you the red for short or green for Long.

When All the lines are dropping away, momentum is resting. No Long or Short trades to be taken.

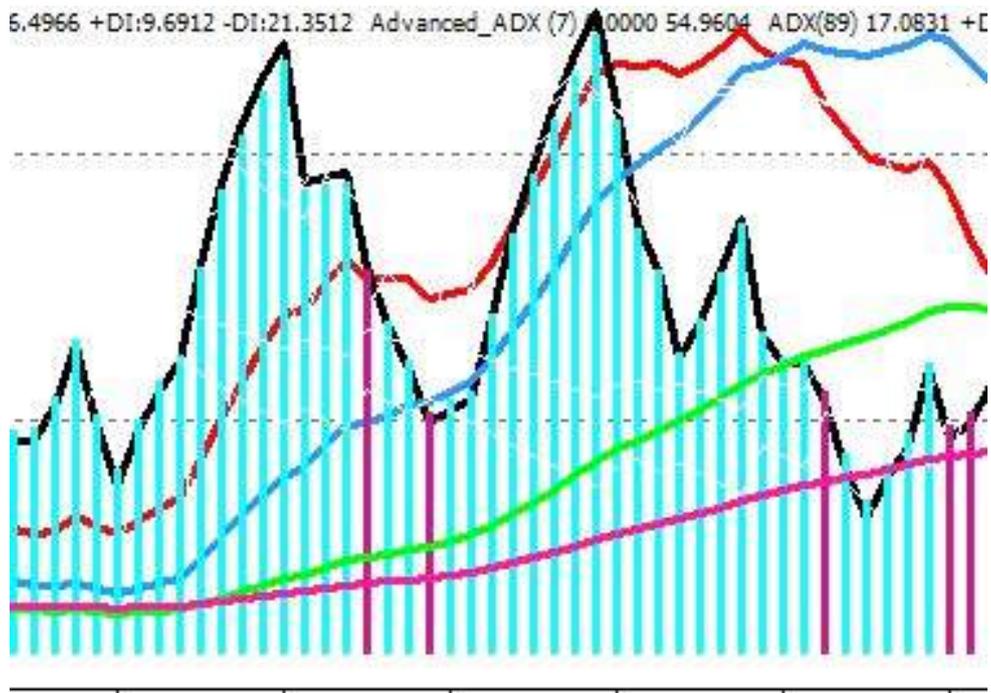
I do not trade the levels or worry about them, keep it simple. **I do look for ADX compression, which an example will follow this post.**

If you are trading H4 or daily charts, you only need to look at them once every H4 or Day.....But , if possible, I would look at the H1 for changes in the H4 as time goes on. And the same for the Daily, look at the H4 for changes to the Daily as time goes on.....

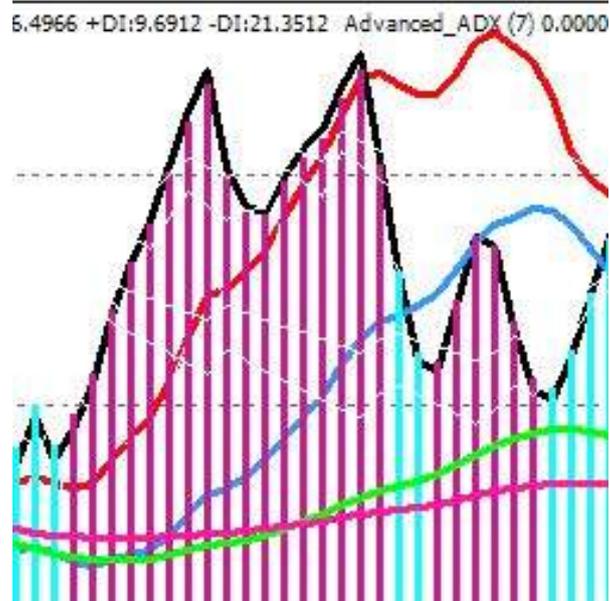
TIP: This example below is an ADX Compression that I have circled. Any time you see this area where All the ADX lines are quiet, Something BIG is going to happen, this in it's self can be a trade setup. As you can see afterward a giant long came into play.



long example



Another Short Example:



All 5 ADX's are powered Short:



All 5 ADX's are contracting and NO Trade to be taken



If H4 and H1 ADX read long and strong still,

Look for ADX failure or resting on the lower TF's and then look to see if they resume again in the future to continue the H1 and H4 ADX longer.....

Use the RSIoma for topping clues, if they are high and flat and the ADX power goes away, look for price to drop soon also.....

**First move in higher TFs will not have full adx power because of his time speed.
AAA setups (like Alien says), you must look at monthly tf and see if the pair is in full adx power and then jump in when lower tf says so.
In this way, price can go a little against you but most likely should return to you in profit.**

You can also have the ADX speeds start at different times.

At the first black vertical line the 7,21,42, adx are expanding for a short trade.

the second black vertical line the 89 adx started rising for more power to the short trade.....

the third black vertical line is where the 144 adx started rising for more power to the short trade.....

you would stay the trade as the momentum increases...



Another ADX compression Example, you can make this a trade setup all in it's self:



This is an Advance ADX trading Example.....

The ADX 21 and 42 are floating above the 7 adx as it chops along.

This means more down side to come , stay the trade for 20 more pips....

