The History of the Ribbons

I was first introduced to the ribbons back in 2009/2010. I was reading through several system threads on FF to see if any had legs. There was a thread on scalping which I find confining but something about it caught my attention. This thread was made of survivors of a thread that had been closed due to a betrayal and what not. About 100 pages into this thread an experienced trader named John Edwards joined. He asked permission if he could contribute to the system and was granted that permission. He talked to Kino the indicator guy who was busy making one indicator after another for the thread. He wanted an indicator built, a T3MA ribbon indicator. Kino could not understand this because it lagged so much. But John said he had something surprising to show everybody. So the indicator was built and John came up with rules on how to use it in the fx50 system and it was very surprising how it worked. John built a template based on the indicator with every ribbon representing a different time period. I am not going to go into detail but price reacted with the time period ribbons obeying Johns Laws. John got his idea to do this from a thread that goes back to 2007/2008 on TSD. Radatats developed a system under ideas and suggestions topic called Rads Reverse MTF HAS and freely gave it away. Being a fan of WD Gann and his use of nine in many of his strategies he created time period T3MA's not ribbons that represented the present and next 3 higher averages. John had taken this idea and adapted it to the 1 minute. What you noticed was that you gained a lot of confidence because you knew possible points of S/R. You knew win a trade could run or not run. He only built it for the 1 minute and I got the feeling it could not work on the higher time frames or he did not know how to do it. However recently I went back and looked at Rads system and how he had built it and realized it would work. So I am indebted to Rad and John Edwards for the ideas. I stand on the shoulders of many traders like our own Bob.

 The THV Pivot Tool is the most configurable and useful one I have ever used. Barry Taylor's Better Volume indicator is fabulous and given freely to the community of traders. I am not sure who did the original port to mt4.

Read about how to use Better Volume and watch Barry's video at

http://emini-watch.com/free-stuff/volume-indicator/

I am not going to get into a discussion on whether volume works in Forex. There are plenty of threads out there and smart people who have come to a conclusion that it does. I know it is tick volume. Everything is relative and you should be consistent with your broker feed.

This system now due to a complete integration of Bob 10.7 system covers all time period from the 1 minute through the 1440.

I have put this system together based on Price, Ribbons and what they represent.

I have put together this system with John's rules and additions by me.

It uses Barry's Volume indicator.

It uses Tommaso's superlative stochastic indicator base on original discoveries made by Bob on the nature of 2:1 stochastic settings on higher time periods.

It uses S/R, Pivots and Round Numbers, and supplemented by the addition of dynamic S/R from the Ribbon's.

The Day candle can give you feedback on Trend or counter trend days.

The 1 minute scalping template has indicators the Kino developed years ago that will help in trading the 1 minute.

It has featured the new T3MA_ribbon_multi indicator by Phil/padnoter

Originally the ribbons were meticulously calibrated based on a ratio of 36/54 and a volume factor of 0.54/0.63 using visualization setting. The new T3MA_ribbon_multi indicator eliminated the need for this by automating the logic.

This is not a copy of Johns work in detail in that he used a primary 1 minute ribbon of 27/36. John also fine-tuned his volumes. Because I was scaling for 7 different time frames I could not use different numbers and I think it is important to stick to number 9 number theory. From all indication this has made the system time periods calibrated exactly alike. So much so that you can put a horizontal line on a high time period like the daily white edge and it will line up as you go down the time periods with the next white edge of the daily below it.

First necessary tasks to do to make sure you will have full functionality in the system

Important issues related to bar history.

How to get the number of bars you need for the ribbons. Do below first.

1 Open up options-Chart under max bars chart and max bars history. Type in a 9 with as many zeros as you can for both choices. Close options and then open back up and you will see the real max of bars possible … 2147483647. You will not get this many so do not worry.

2 Now exit and restart. Run the force history download script. Open up the Experts tab on the bottom panel to watch it run. It might take a while.

3 Now open up a default profile that has on it all the pairs from your broker and rename it bar test.

4 I include in the analysis folder a stream lined test template that will have the history alert popup set to true. Go to each pair on profile and attach the template. Check all time periods through the weekly by clicking on each time period on the periodcity panel to see if you get a popup alert on each and every

pair. If you get alerts you have another option below. If you have no problems you are done. So reset the max bars chart history to about 40000 which is bigger than the largest average in the system. This will make sure your platform loads more quickly and if the 1 minute is clicked you do not have to wait on a large amount of bars to load. Keep the profile and template for future needs.

Chose the step below that best meets your need but read all of them first.

Step 1 Metaquotes Data

Thanks to Primodious for this description on how to download data from Metaquotes.

I am still having the issue of not enough data to get all the ribbons on the lower time frames, the force load historical data now shows all completed but I still do not have enough data to show the large timeframe Ribbons on the smaller time periods. I have however found a solution for this.

You can force MT4 to download a complete bar history from Metaquotes.

Before explaining how to do this I will state this one caveat that I have found: This is a lot of chart data and I have found that once you have all this data on board it takes the chart a fraction longer to switch timeframes, I'm talking maybe 2 seconds to go from 1h to 15M. I have double checked and it is only apparent on the charts I did a full history download for. It's not a big deal but some may find this annoying and it may be worse depending on PC specs. The good news is you can just delete the downloaded history again if you don't like it!

(Note see my statement under Step 3 paragraph 11 for a fix for this last statement)
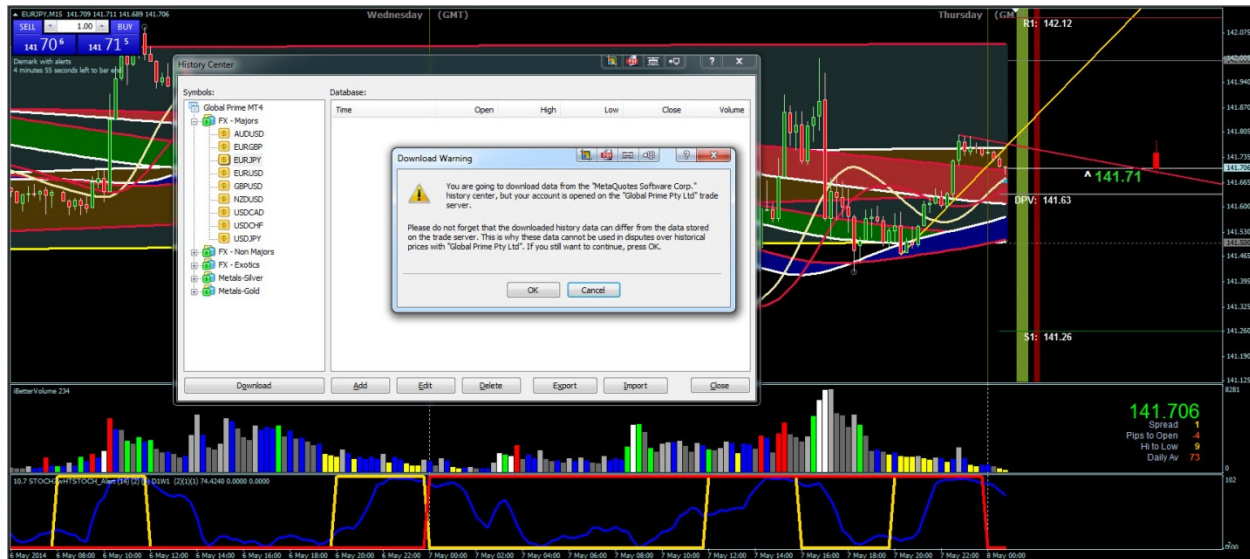
The other slight issue is that this old past data may differ slightly from your actual brokers data who is hosting your MT4 account. I guess this could affect you if you are lodging any kind of claim or dispute with your broker. I am going to email my broker about this and see if they actually have any larger server data files I could download to side step this issue.

Steps are:

1.   Hit F2 while looking at your chart this should open your history center.

2.   Find the pair you need the data for from the list on your left.

3.   Left click the pair once, and then click the 'Download' button at the bottom

4.   Wait patiently for the data to download.

5.   That's it!

Final pic at the bottom is what my 15m EURJPY Chart now looks like after history Download.

Thanks for all the fantastic contributions in this thread, I hope this helps those who are also experiencing the issues with lack of data and not showing all ribbons.

Step 2 Importing Data Guide

So you have about one or more years of 1 minute data for each Pair in .cvs text files.

You only need the 1 minute data for each pair. That will save you time in doing the following. Although you can go into the history section and download data from metaquotes like is described above you may find you can get data from your broker or purchase your brokers date from them or another source. If you use data that is not from your broker be aware that you will not be able to use the data in a dispute over price with your broker. For most retail traders this is not an issue but if you are trading in huge lot sizes as a professional trader it may be. You may also want to download 1 minute data for free from an online site that is not your broker's data and do the following. This is a pretty clean way to do it.

1. First start up MT4 and disconnect from your brokers server. Delete the pass word and un-check save login info. Make sure you know your password and account number though. If he does not disconnect than try logging in without a password. That will do it.

2. Open up the data folder under the file menu. Open history and the name of the server you connect to. Cut and paste the HST files into a folder on your desk top. Only the HST files. The other files are still needed. Cut and paste because you will have more data on the pairs you are unable to get new data on in the old history.

3. Exit out of MT4. Restart MT4. There should be no connection to the server. So you are off line.

4. Open up the history. There should not be any data in the Pair folders. Now for each Pair you have data for double click the Pair 1 minute icon and open up import. Import it to that pair. As long as it is named for the pair it does not matter if there is a .CVS or .TXT at the end as long as it is cvs data. You can use the all files choice (".") to see all the data pairs in your new data folder if you do not have txt or cvs as the ending.

5. Be patient this is the longest step. You will get a window after you click on import. You will open up the folder that has your data in it picking out the pair data. Hit the open button but wait to see the pair name change in the window before pressing OK. It takes about 10 seconds to happen. Do this for every pair you have obtained data.

6. When you are done this task exit MT4 and then restart. Go to file menu offline chart. Open the first pairs 1 minute data. It will be about 1.5 million bars of 1 minute data if you are able to get 4 years of minute data like I did for instance. You do not need this much though. You would have less for say 2 years, 750,000 maybe.

7. Drop the multi period converter on the chart. Watch up in the left hand corner how fast it makes all the other time periods for you. It is lightning fast. You do not want to be messing with the period converter that comes with mt4 for this task. Do this for each pair. Now copy the HST files for the pairs you did not obtain new minute data for into the History folder from the data you cut and pasted Just the ones you could not find data to download on.

8. Reset your Password and Account number. Exit and restart a live login.

9. Test the charts with a template that has the popup alert turned on for not enough bars. See step 1 above for best practice on how to do this.
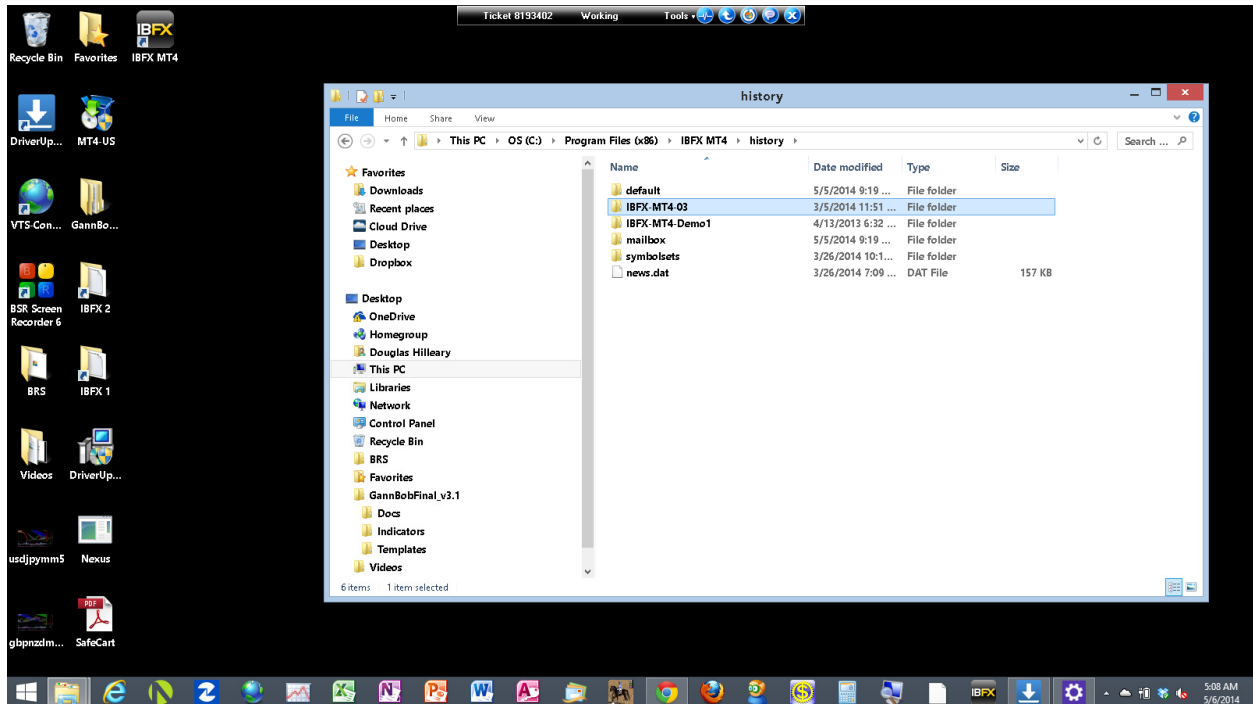
10. Run the force history download script. This time you will get a lot of failures but for a different reason. You have more data than you broker so it cannot download any more on the pairs you imported on. However it may get back more data on those old HST files you saved.

11. Last ... So I am done with force history download and I have about 1.5 million bars that need to be loaded on the 1 minute time period each time it starts. This means it can take forever. I do not need that many. Go to the tools-options-chart menu and at the bottom set max of bars on CHART to 40000. Leave the max bars in history alone. That is big enough to cover any average on the system. Now you do not have to load 1.5 million bars like me or less depending on how many years you accumulated and watch the system freeze. The system will now be stable with the bars it needs. The largest average is 36288 giving you more than enough room to spare.
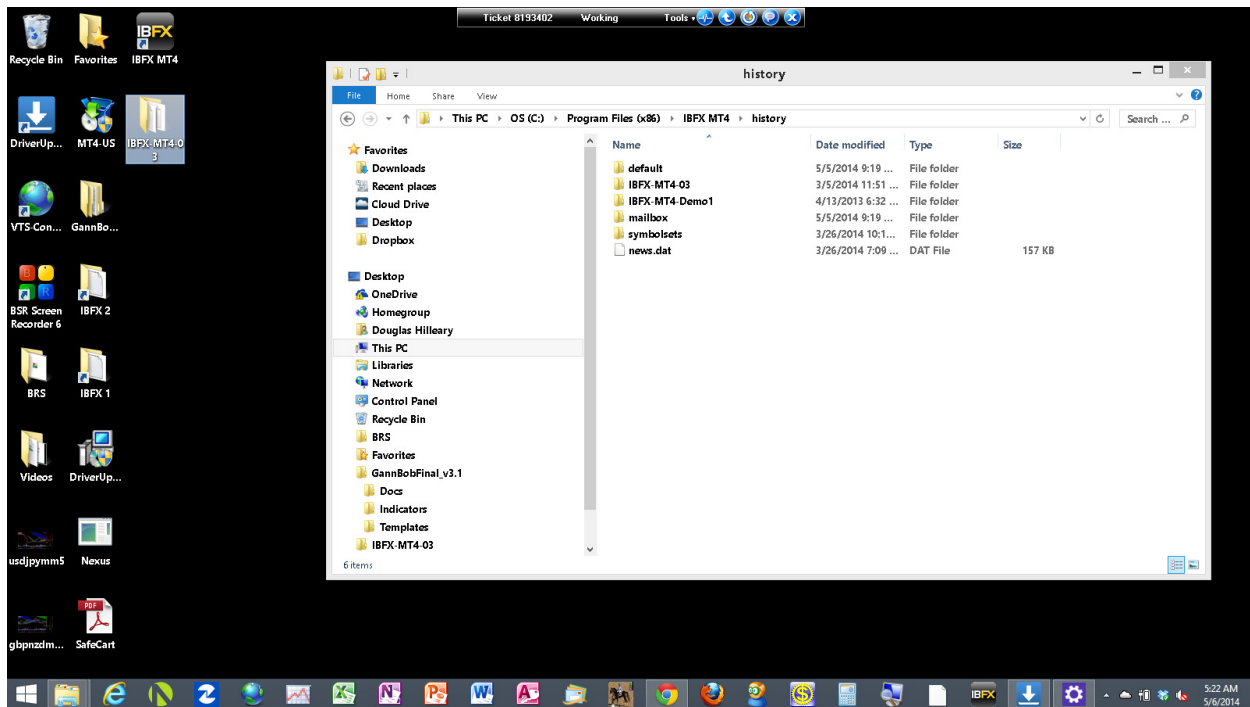
See post one for the multi period converter in the 10.7 ribbon thread. This is the only one you want to use.

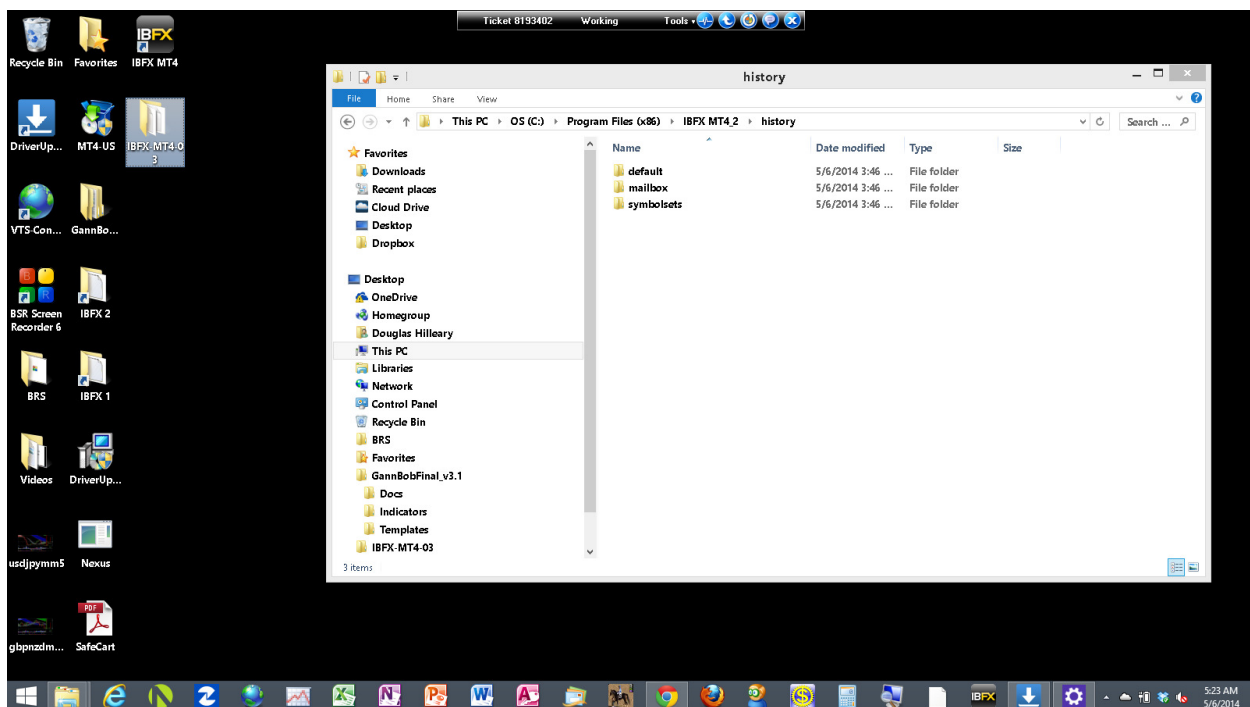**A guide to setting up a second instance of MT4**

When Metaquotes installs the newer version it no longer puts history file in the old mt4 install directory as below.
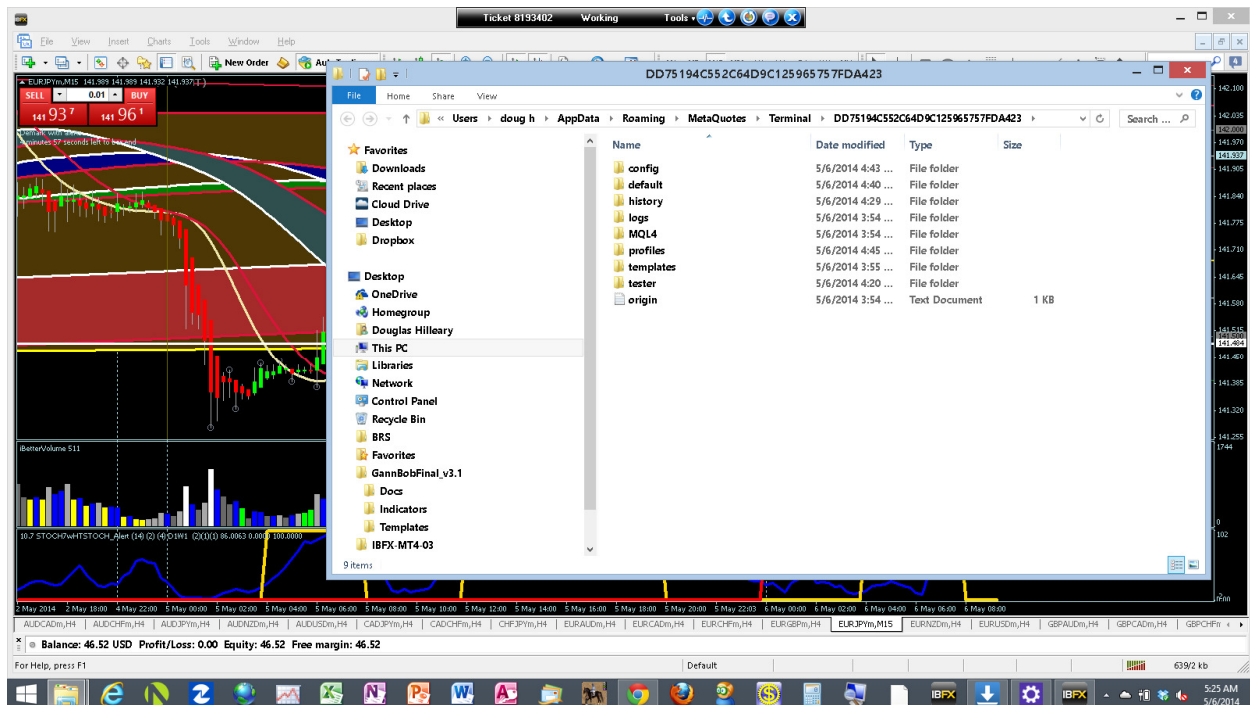

But when it is there on installation it apparently copies all the files into the new data folder. So that is why my old installation worked and my new one did not. So copy this folder out onto the desktop if you want to install a second instance of IBFX for instance because the following is simple and will save you time. That is the folder highlighted on my desktop.
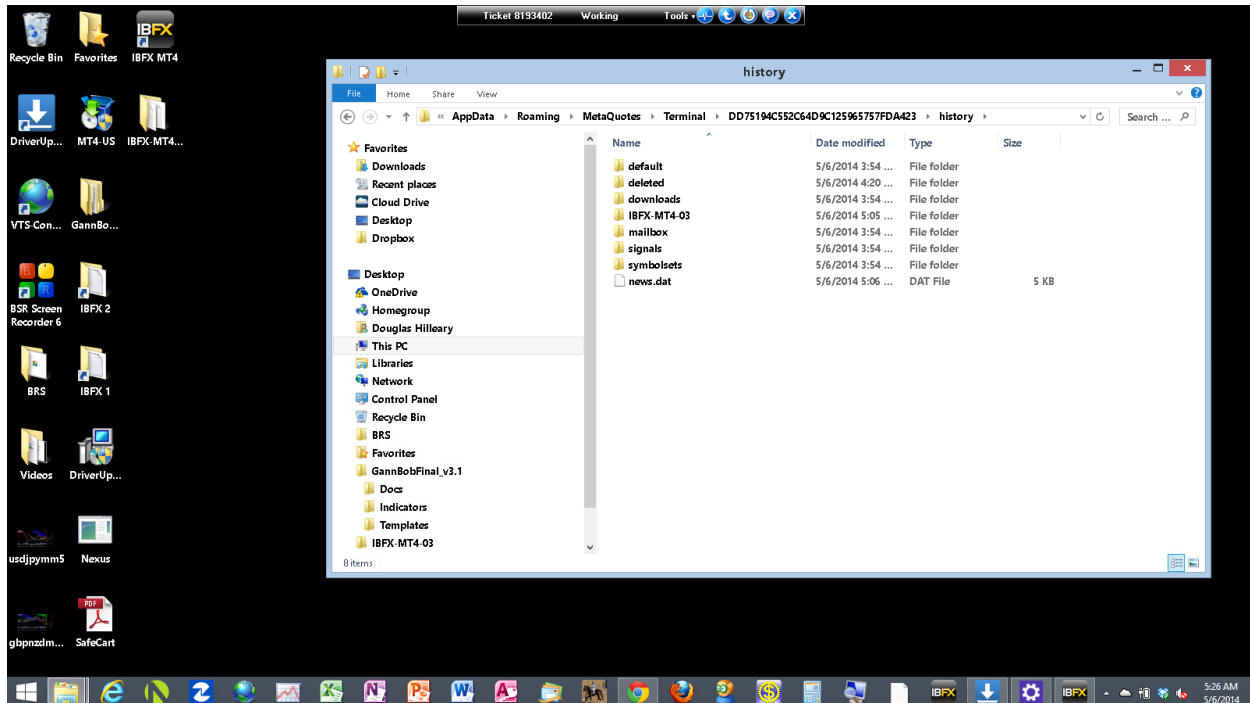
However in the new installation it does not have any history folder to pull files from. So it puts it default amount of files into the History folder in the new data structure. See below the empty history folder.
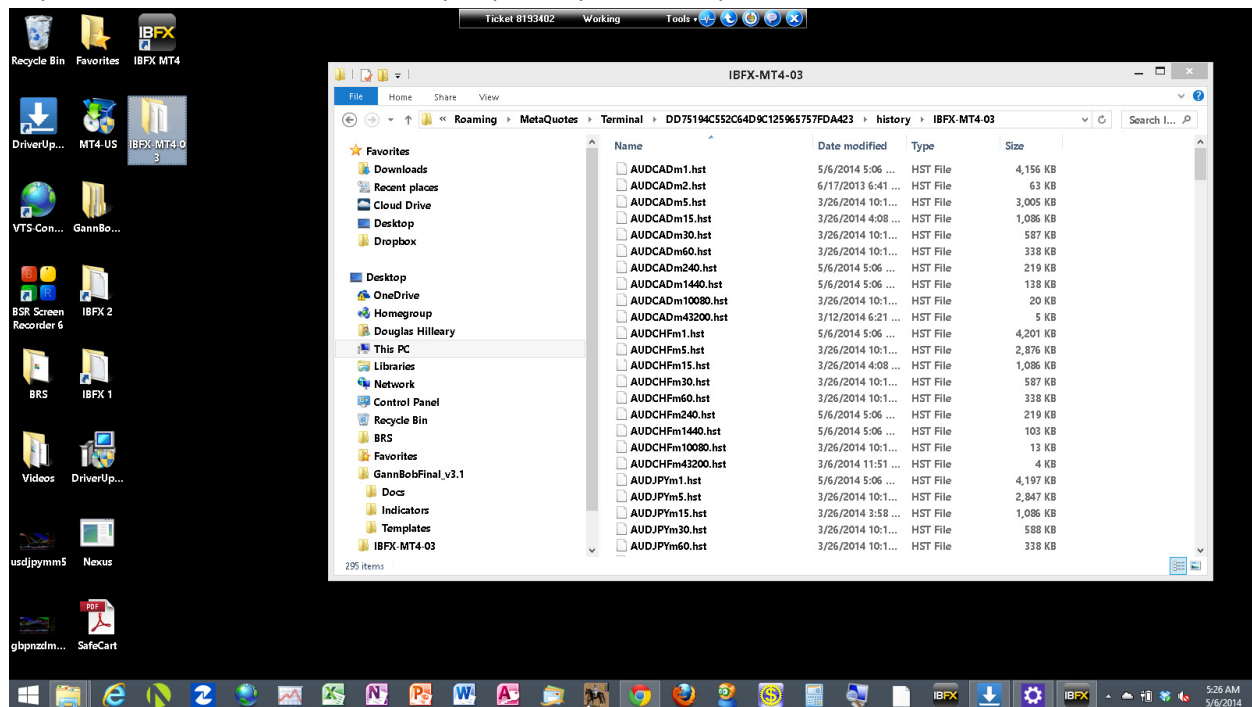

Open up the data folder.

Open up the History folder. Opening the name of the server you connect to.

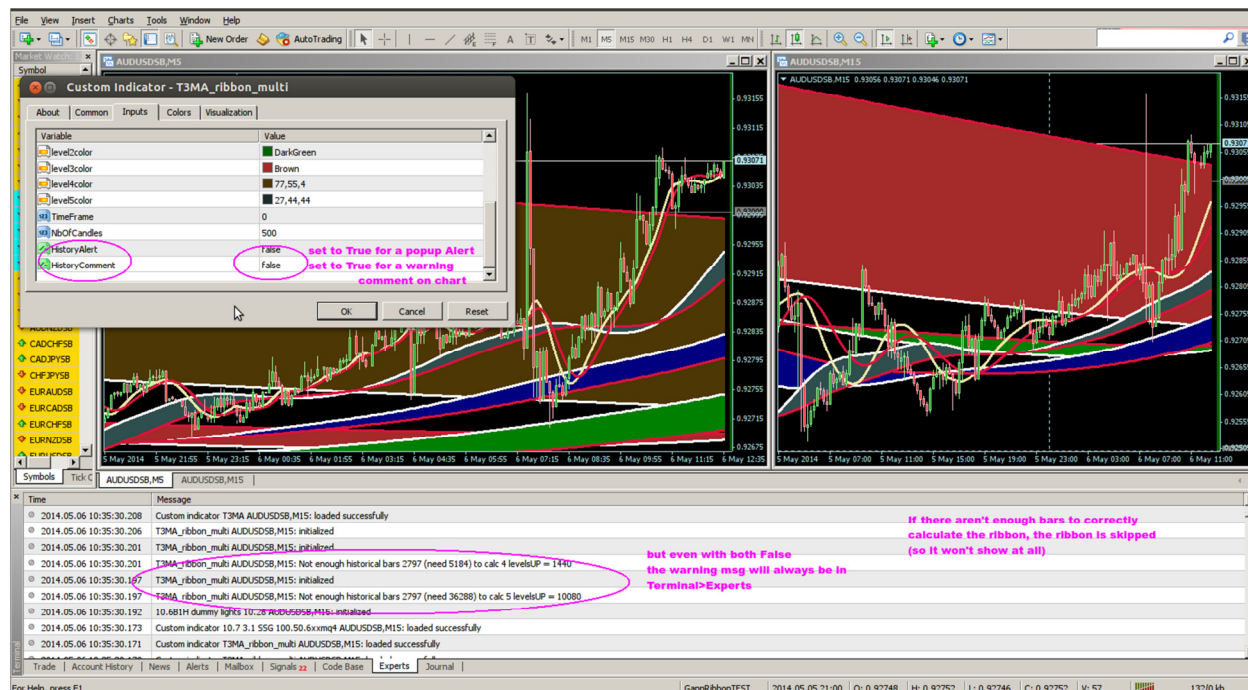Replace all these files with the ones you put on your desktop.

 Now you have the second instance with the same amount of bar history as the first instance. Make sure you rename your second instance to something like MT4-2

The new T3MA_ribbon_multi indicator

A special thanks to phil/padnoter for the new T3MA_ribbon_multi indicator that gives us several new features that enhance the system. Also thanks to Radar for fixing the t3ma indicator in regards to its problems related to the MT4 600+ language update. Some charts of the new indicator features and then we will get to the ribbon laws.

History problems can be seen under the experts tab. You will be able to watch the ribbons load in the experts tab and it will report to you if there were any problems. If not enough bars for the 5 minute 1440 that ribbon will not be loaded. See section above on how to resolve these issues.

I have the popup setting turned off on the indicator by default. You will be able to watch the ribbons load in the experts tab and it will report to you if there were any problems.

A summary by Phil/padnoter on the new indicator features;

1) Added hover labels to ribbons

2) Added chart labels to ribbons (turn on/off with param "showRibbonLabels")

3) Added an alternative coloring scheme (turn on/off with param "ribbonColoursConstant

So number 3 gives us choice of the colors the old way.
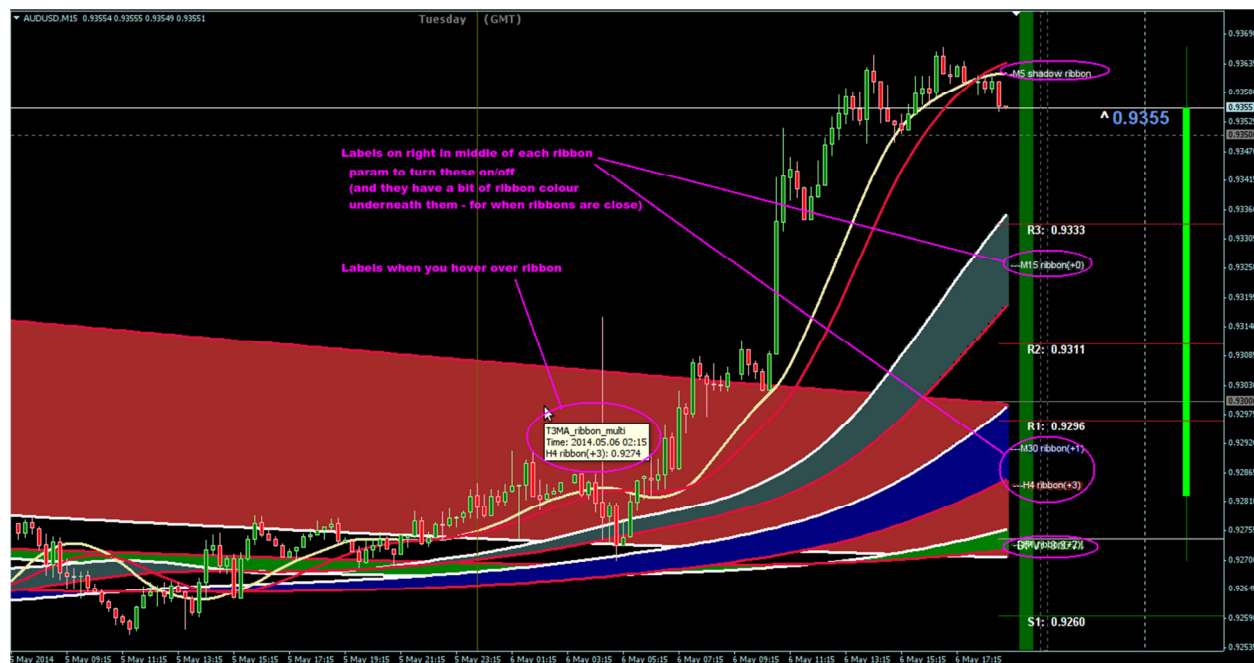
 Param "ribbonColoursConstant" set false Color order starting from gray on each time period as it had been in the past

or Param "ribbonColoursConstant" set true and with the colors becoming blue for 15 instead of gray and staying fixed. So now 5 minutes is always grey and 15 minutes always blue. This second choice is the default on the indicator.

Charts illustrate the new features

First Chart … We will have hover labels on the ribbons, just hover over the ribbon and it tells you the ribbon level and time period. They are on all the time. Also illustrated are the new text labels for each ribbon turning the setting true gives you these label to the right and the font can be adjusted for type and size. Default if off.

Also in the second chart you can see the effect of Param "ribbonColoursConstant" set true. Five minute becomes gray and fifteen minute blue and so on.

The color scheme change

Trading the Ribbons

The following description of ribbon behavior has not changed since the beginning of the building of the original system. The system is now an integration of Bobs 10.7 and my own original system of indictors. The early use of CSS that one sees in the bottom of these charts below has been replaced by Bob's superlative stochastic indicator. It now becomes the primary timing indicator for the system. For all practical purposes it is hard to improve on the original explanation of the ribbons below. So since the charts are completely valid to an explanation of the ribbons there was no reason to redo this section.

The new indicator produces a 1 minute shadow ribbon on the 5 minute. We also get Ribbons on the Daily time period including a 4 hour shadow ribbon on the 4 hour.

The separate 1m template uses only 4 ribbons.

Grey 1m, Navy 5m, 15m DarkGreen and Brown 30m … You can use the below color scheme if you wish and change the 1m to a color of your liking.

The main Template

The 5 minute has 7 ribbons now counting the Daily. I am using the constant color default of true. The colors on the template are as following.

The Shadow ribbon is clear.

The 5m is DarkSlateGrey.

The 15m is Navy

The 30m is DarkGreen

The 60m is Brown

The 240m I changed to Tan

The 1440 I changed to CadetBlue

The 15m time period is as follows. 7 ribbons including the Weekly which uses a screen door effect.

15m is Navy

30m is DarkGreen

The rest of the ribbons just as for the 5 minute.

The 30 minute starts with a DarkGreen … it has 6 time periods counting the shadow ribbon. Here on out there is 1 ribbon less up until you get to 3 on the daily. I think you get the pattern now.

The Ribbons

Let's talk about the Ribbons first and how they relate to price in the laws below. I am no expert on Gann. That is a deep and time consuming query. However the averages using multiples of nine seem to work very well to define time periods when used based on a t3ma system.

The ribbons themselves have a white edge and a crimson edge. The white edge is a faster average and represents the time periods more aggressive traders. The crimson edges are the traders more conservative in their timing. However the two lines can be considered strong resistance or support depending on the time period and CSS strength but that can vary. Traders on both of these edges are trading professionally with good timing. The filled in area in-between the averages is called the chaos zone with traders using various timing methods and trading in chaos. This area can be bridged more easily but there are rules that govern movement as we will discuss in the following laws.

Many times it may become hard to know if a ribbon is going up or down. When ribbon looks horizontal which happens a lot with large ribbons than if the white edge is on top it is going up or bullish and if on the bottom it is going down bearish. Another way to think of it for smaller time frames is as a MACD. The white edge is the MACD line and the Crimson edge is the signal line. Going up the white line is on the outside and down on the inside. White and Crimson crosses are important too. The Order of ribbons becomes important in reading them.

Law 1

High probability trade -

When price rises from or falls out of all zones at the same time (especially when they are very narrow and close together called Confluence) it's going to be a high probability trade. If price goes into a black area the setup is perfect for the simple reason that there is no chance of a price rejection by any of the other ribbons.

NOTE: Be conscious that price might be trapped in this zone of Confluence by multiple ribbons related to traders not agreeing on price direction for some time. A five time period example is demonstrated below on the 5 minutes. I will be coming back to the examples later in more detail so forget the notes on the charts for now. However I hope this wets your appetite. See how price falls out of the bundle.

In the setup below think of the Black area above the ribbons as the Sky and the Black area below the ribbons as the Ocean. Think of the Black area in-between the ribbons as lakes although not seen on this chart. Black areas are good for trading given sufficient volume, trend direction and strength of CSS. Trend will be based on the higher 2:1 indicator. Be aware that Chart Patterns are formed on charts by price. It may surprise you to see how traders contribute to this. Ribbons give you a visual way to see this happen. While ribbons are good only so much can be explained by any system. This is why this is a system built on Ribbons, Volume, Bob superlative MTF stochastic indicator and S/R.
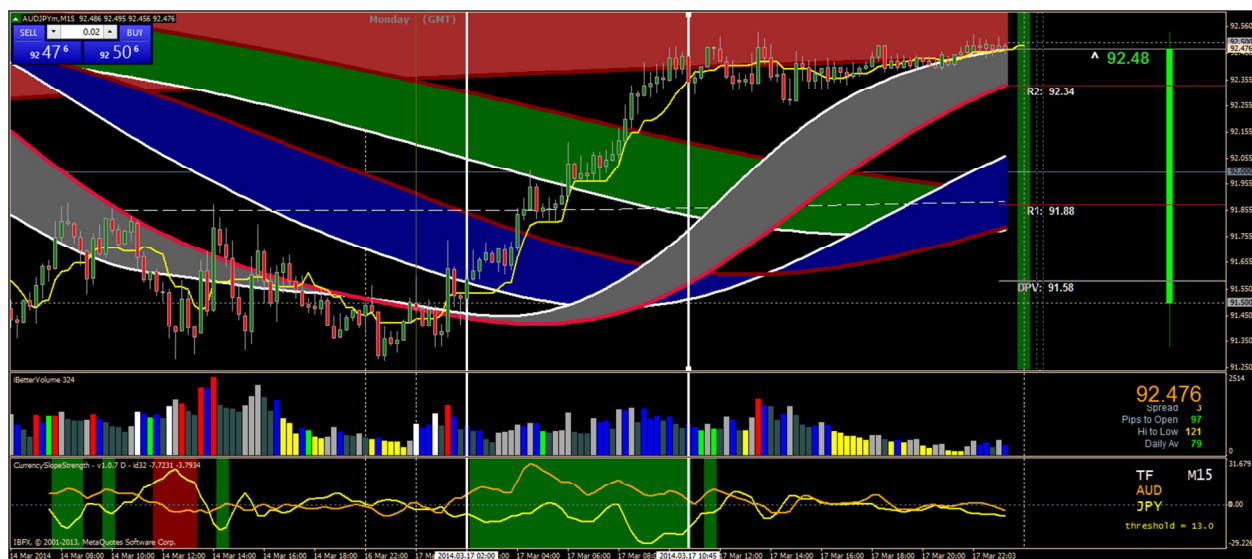
Learn the technique of Sell Stop orders and Buy Stop orders to capture these moves. You can also setup the built in alerts that are built into mt4 if you want to trade it without these for manaual trades. Built in alerts also make good mental stop locations if this is how you use stops.

Law 2

When Price rises or falls from the TF1 Ribbon and the TF 1 Ribbon starts rising above or below the TF2 ribbons and the TF3 ribbon, a breakout to the upside or downside will present more than one trade opportunity depending on time frame chosen. This will result in a strong trend. A higher time frame may obscure retraces that a lower time frame may demonstrate. Always trade the time period that is most comfortable for you.

There is a fabulous example of this below on this chart. It is on the 15 min AUD/JPY.

Do you know what else is unique about this chart? It starts out as a Counter Trend Trade. One example of how it will be possible to counter trend trade with the system. That Brown ribbon is the 4 hour time period Ribbon. Observe all the resistance or rejection to price on the crimson edge of the ribbon.

However this is cherry picked and we always trade the right edge of the chart so that is why we need to see the Volume Signature and Stochastic in the new 10.7 ribbons system. You are going to see the price move over the ribbons followed by the shadow ribbon. The Stochastic will be our main timing indicator. The volume signature should be observed for Red and White bars as well as the lime bars that are seen so often at the top and bottom of moves.

Law 3

When price goes from one zone towards another contacting another zones edge observe for rejection due to support or resistance at the edges. Usually a zone can be entered by price when a zone is widening. Price will be rejected often when a zone is narrowing. When a Zone is very narrow resistance/support will usually be high, though price can cross with ease right at the center X of a primary time period ribbon. An example of the first sentence is the chart above where price meets the 4 hour brown time period.

Look at chart below

Law 4

Trading in the space between Ribbon Zones (the black area) usually too presents good trade setup possibilities when price is not (immediately) going to be rejected by a nearby Ribbon or a pivot, or round number. The wider the black space between the zones the better the chances are for a good trade setup. Look for the Sky above and the Ocean below. How wide are the lakes in between? Check each time period.

Law 5

Trading inside a wide opened time period like is also possible. A glaring example of what I mean by this is below. Also note the edge rejection by the yellow edge. You not see this much but when you do it can guide your decision making. This is the 30m inside the weekly. It does not have to be this big but I think you get the idea.

Note

Large time frame edges can stop smaller time frames in their tracks in intraday trading. That is why the 5 min time period has 7 time periods.

Other thoughts

Trading from smaller to larger time frames is preferred such as TF1 to TF2, TF2 to TF3 and TF1 to TF3. Trading towards Blackness is preferred. Stay out of the Chop. Shoot for the stars or surf the ocean. Lakes are great to for a little boat ride. The first video helps to clarify this issue if you find it confusing.

The Chart

The new Gann 10. 7 Ribbon chart below

 This is a trend trade that starts out of an M formation on the 30m. Look how that M is created with rejection off of the 15 minute shadow ribbon. It has an ordered pair alignment. There is a cross right through the X area. White volume bars are right at where you might enter with a Stochastic entry. The yellow 2:1 stochastic boxes out nicely the trading area. The Red 2:1 is the 1440 indicating a trend trade. Lime bars on the volume indicator can be seen at the tops and bottoms of moves. There is a very distinctive retest area after initial rejection from the Daily. These dome like areas seem to reject price all the time. You can see the present color scheme I am using with the daily now CadetBlue and the four hour Tan. Of course now you can change your colors to suit your taste. Just put on the labels set to true when posting if they differ much from the traditional scheme.

The Gann 10.7 System Integration

This applies to the 60 minute in up charts in the system as explained by Bob. For my own system the intraday periods of 15 and 30 use a different indicator. The 5 minute and 1 minute have their own indicators. So I have made differences for trading the intraday system.

Weekly Stochastic (W2.1) RED LINE

1. It is set to the fastest settings allowed by MT4.

2. W2.1 is a read of the present weekly candle letting you know if it is going up or down.

3. Once it is set it will stay on the top or bottom unless a big reversal happens.

4. Early in the week if direction is not set yet it will change up and down. This is not repainting this is lack of market direction.

5. Trading into the weekly candle is part of TOP DOWN TRADING. 10.7 is unique in that the higher time frames go first and then you enter with a slower Stochastic indicator on a lower TF.

Daily Stochastic (D2.1) YELLOW/GOLD LINE

1. It is set to the fastest settings allowed by MT4.

2. D2.1 is a read of the present daily candle letting you know if it is going up or down.

3. Once it is set it will stay on the top or bottom unless a reversal happens.

4. The D2.1 is very sensitive so when price stalls and there is no candle direction it will constantly change positions up and down. Hopefully the Asian session will set the direction for the day and it will stick on top or the bottom for the rest of the day.

5. Trading into the weekly candle is part of TOP DOWN TRADING. However, not every day is an up day or a down day during a week. Price may go up 3 days and down 2 or 4 days. On days price is not going in the direction of the weekly candle we use D2.1 to tell us that so we don't trend trade that day.

6. D2.1 is a filter so you are not fighting dips/rallies in an Uptrend/downtrend.

7. D2.1 is not used on daily time frames and higher. It is for 4H charts and lower.

8.10.7 is unique in that the higher time frames go first and then you enter with a slower stochastic on a lower TF..

Note … The stochastic settings are the same for 60 and 240 periods in the GannBobFinal system. The 2:1 red is set at 10080 and the 2:1 yellow is set at 1440. The blue stochastic is set at 9 and 4 but you might prefer Bob's defaults of 7 and 2 if you have been trading his charts.

1. The blue stochastic is your entrance signal or better yet your signal to set up or not set up a trade.

2. It works on any TF so it will change from TF to TF. D2.1 and W2.1 do not change from TF to TF but remain the same on all time frames.

3. It gives 2 signals for buys. When it is below the 10 line and moves up past the 10 upward that is considered a buy alert signal. You go look at the chart and decide whether or not you want to trade. It will also give a 2nd warning at the 30 line.

4. The Stochastic gives 2 signals for sell trades. When it comes down from on top

and crosses the 90 it will give a sell trade alert. You will then check your charts and see if you wish to make this trade.

It will also give a 2nd warning signal at the 70 line. This indicator was designed to get you Into a good spot to trade or at least look at a trade. I have found it quite reliable if you follow other signals with it.

Here are the 4 steps to a 10.7 trend trade sequence. Buys

1. You get a buy trade warning at the 10 and 30

2 You confirm momentum with better volume, CSS and the power chart. You confirm S/R with the ribbons,
pivots, and round numbers. You will need to take this into consideration for profit levels.

3. You set up buy stop or enter manually above the Demark TL triangle

4. You set up your SL below Demark TL triangle

Here are the 4 steps to a 10.7 trend trade sequence. Sells

1. You get a sell trade warning at the 90 and 70

2 You confirm momentum with better volume, CSS and the power chart. You confirm S/R with the ribbons,
pivots, and round numbers. You will need to take this into consideration for profit levels.

3. You set up sell stop or enter manually below the Demark TL triangle

4. You set up your SL above Demark TL triangle

10.9 Daily BUY signal

1, W2.1 on top

2. STO 7 comes up from bottom giving warnings at 10 and 30 line
ENTER and HOLD

10.9 Daily Sell signal

1, W2.1 on Bottom

2. STO 7 comes down from top giving warnings at 90 and 70 line
ENTER and HOLD

The Indicator itself …

The indicator will only issue exit warnings at these levels if you have an open trade. No open trade on a currency pair no exit warnings given.

In the Gann 10.7 system this applies to the higher time periods of 60 minutes and up.

Exits Buys for both 10.7 and 10.9

1. Move SL up when line crosses 50.

2. Move SL up when line crosses 70

3. Move SL up or close when line crosses 90

4. Exit when the blue line goes to the opposite side.

5. Definitely close all buy trades when indicator gives TMA close signal OR W2.1 red line moves back to the bottom

Exits Sells for both 10.7 and 10.9

1. Move SL down when line crosses 50.

2. Move SL down when line crosses 30

3. Move SL down or close when line crosses 90

4. Exit when the blue line goes to the opposite side.

5. Definitely close all buy trades when indicator gives a TMA close signal OR W2.1 red line moves back to the bottom.

The intraday indicator changes on the 5-30 minute time periods

The 15 minute and the 30 minute use the same indicator. The

10.7_3.23STO_wTS_ HT ALERT_15M

It has a 1440 time period for the Red 2:1 and a 240 time period for the Yellow 2:1 time period.

It has a blue stochastic setting on both time periods of 9 and 4. Again if you like Bobs setting of 7and 2 it is easy to change them.

The 5 minute has its own indicator the 10.7_3.23STO_wTS_ HT ALERT_5M.

It has a 240 time period for the Red 2:1 and a 60 time period for the Yellow 2:1 time period. These small intraday time periods trade differently throughout the day which can be noticed on a 15 min CSS.

It has a blue stochastic setting on both time periods of 9 and 5. Again if you like Bobs setting of 7and 2 it is easy to change them.

The 1 minute which is in a separate bundle uses its own indicator too.

10.7_3.23STO_wTS_ HT ALERT_1M

It has a 1440 time period for the Red 2:1 and a 15 time period for the Yellow 2:1 time period. These small intraday time periods trade differently throughout the day which can be noticed on a 15 min CSS. There was no better 2:1 it seemed for the higher time frame for this small period. So I chose to put in the daily for reference.

It has a blue stochastic setting of 9 and 5. Again if you like Bobs setting of 7and 2 it is easy to change them.

On the lower time periods I chose to use slowing over rather than a longer k period to deal with noise although I did bump the k period to 9.

Alarms

The 60 min and 240 have counter trend trading setting set to false which allows the 2:1 exit alert setting to be set to true. This is the only exit alert I have set. Alarms will be highly individualized depending on the trader and what best makes him or her most comfortable.
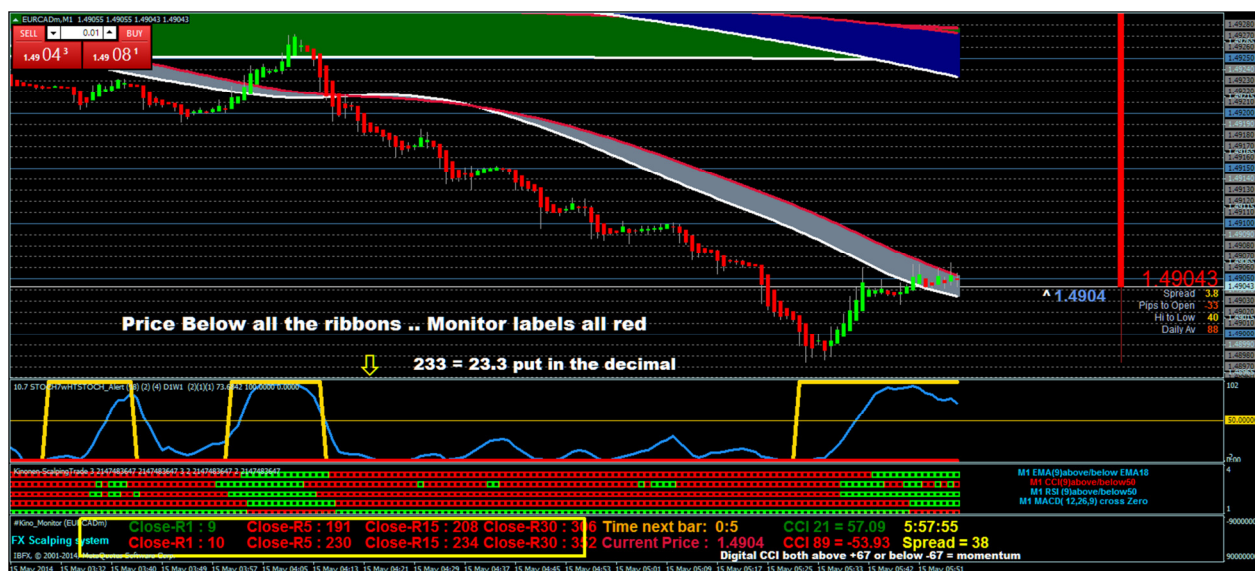
The 5, 15 and 30 minute are set to counter trend trade. Which means only the tma and 7:2 alarms are set for exit. In reality for trading these time period I have the popup alerts off for me because I know which pairs are of interest per CSS. My exits intraday are based more on the ribbons and momentum. Again you will have to find what alarms best suits your style of trading. You may like to have all of

them on it is entirely an individual matter. I trade counter trend trades intraday because you can start off risk off with EUR, GBP, CHF and USD strong and switch on a dime to risk on trading with NZD, CAD and AUD strong. This is the new state of global economics since the start of the 21st century.

On the 1m I use the blue stochastic of 18 and 4 for my entries and exits. 2:1 Yellow stochastic is often of great help with both entry and exit. You probably will want to set up several charts side by side so you can look at them at a glance rather than alarms. Everything happens just happens to fast.

The Gann 10.7 scalping system

Special thanks to Kino for building such nice indicators so many years ago. See chart below.

So that is what the system looks like. You have a powerful set of indicators besides the ribbons to scalp the 1 minute. Kino's scalping indicator has a MACD, CCI, EMA, and RSI all rolled into one. It is pretty self-explanatory. The most

powerful indicator is on the kino monitor 3. It is the Digital CCI. The best bullish momentum is when both cci averages are above +67. Best bearish would be below +67 and If price weakens some the 21 average will react first. It may become red or green however it is when both drop below or above these numbers that a strong sign of change or a turnaround may be occurring.

The stochastic 2:1 red is set at 1440. It becomes our daily trend. The trading yellow stochastic 2:1 is set at 15. The blue stochastic is set at 18 and 4.

The idea of the 50 line is that the stochastic will stay somewhat above this line or below this line depending on trend even through retraces. It is not perfect but it is a way to judge retraces. The idea being that you do not leave the trade too soon.
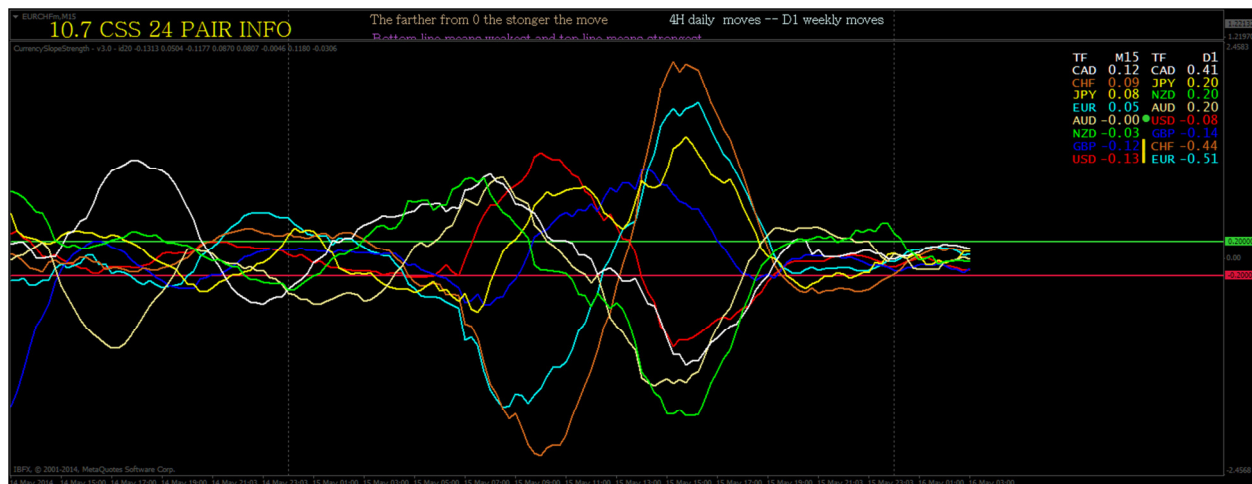
The ribbons obey the ribbons rules. There are only 4 ribbons. 1 min Gray, 5 min Navy, 15 min Green, and the 30 min is Brown.

In the end trading the 1 minute is a lot of judgment but my experimenting just led me back to the best scalping system I ever used. This is not the fx-50 system though because it used a bunch of different indicators.
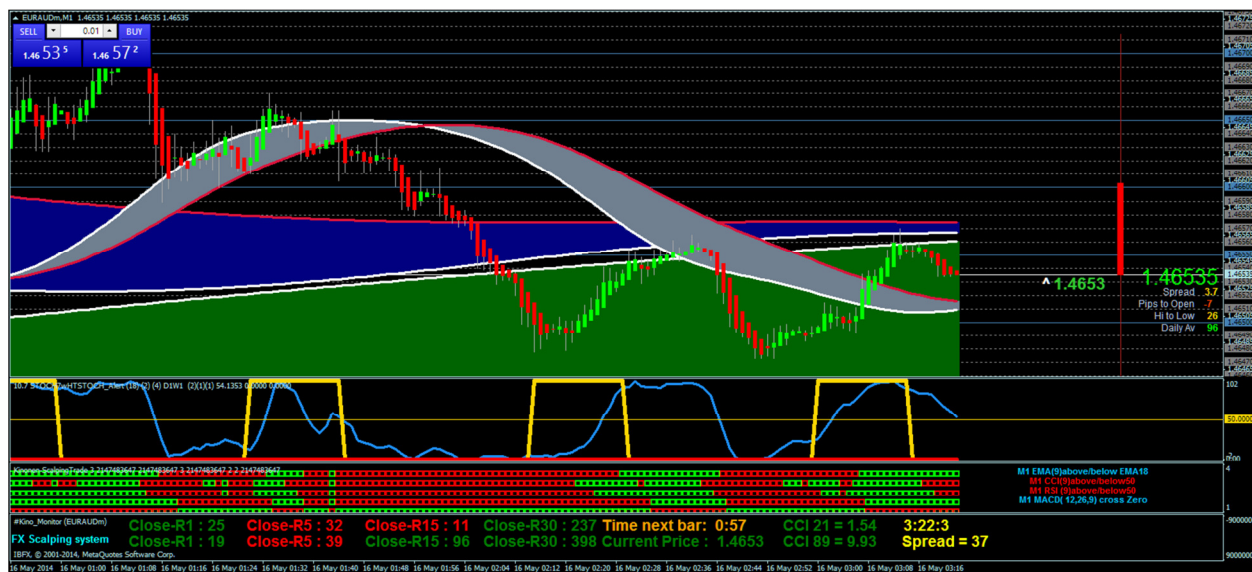
The labels to the left identifying ribbon distance from price on the kino monitor at the bottom are based on four digits. Kino did not release the source code so this cannot be changed although he is such a nice guy I will try to get a hold of him sometime to see if he will update it but he has not been on FF since Sept 2013.

You just have to add the decimal point in your mind 126 = 12.6. It is automatic once you get used to it. If a label is red that means price is below that particular ribbon. If a label is green that means price is above that ribbon. The top row is the white edge and the number is the distance of price to the ribbon edge referenced. The bottom row is the Crimson edge and the same applies.

Now I am going to talk in more detail about trading the 1 minute. Looking at the 15 min CSS which I think can reflect current scalping conditions the pairs are really tightly bound. This will have to open up some to make scalping for more than a pip or 2 literally possible.

Look at second chart below and after will discuss.

Your blue and yellow stochastic's are still your best timing indicators. The 4 in one scalping indicator by Kino works well when there is supply and demand in the market. Presently that is not the case. It simply tells you whether the indicator is bearish or bullish. The CCI set at 9 will react first followed by the RSI. The two outside indicators are slower to change. The EMA usually faster than the MACD and the MACD is last always. Of course you can set these setting to your liking as you get using the indicator. I have the MACD set to default setting. The EMA is slow so If you went by the MACD you would always loose a few pips on a scalp

trade but it is the most reliable so think of it as a stress reducer for the entry you already made. It usually does not change once the trade is started. The other side of that it is not good for exits either. So a lot of adjustment is possible to get these to your liking.

So in the example above I would use the stochastic first but I am looking at the digital CCI to see if it is decreasing. It does not have to be red for a bearish entry as seen in the chart. However you want to have seen the momentum shifted. The problem that happens in a tight market is that the spread widens and the momentum of the pairs is so constrained it is hard to overcome the spread. That is why it is nice to keep a look at the power chart and CSS. I like the 15 minute CSS for scalping because it seems to reflect better the current conditions. A power reading above 5-8 might mean adequate scalping conditions on a pair but it varies depending on pair volatility. In a strongly trending pair you want to scalp the trend. In a ranging market that does not matter as much but you have the red 1440 2:1 stochastic to look at for daily trend. The ribbons are very important in the system because they will demonstrate increased resistance and support especially in consolidated zones. The rules become more important to remember and that is why Kino's second indicator telling you where the ribbons are in relationship to price and how many pips distance to them is so important. If there is black space between price and the ribbon you want to trade to and the ribbon is 15 to 20 pips away you will probably make that distance, yet still you have to be careful of pivots and round numbers. When all the labels go red or green look to make a break away trade. Because this means you are above or below all the ribbons and if momentum has been good these make for the best trades. So become conscious of the label colors and where you are in regards to the ocean and sky.

Exits are a little tricky related to the stochastic being able to flatten out but you still seeing good momentum in a trade. So it becomes a real skill in learning how to read the chart and indicators to maximize your profit. You will get some idea of a goal from the distance to a ribbon. You have to take into account the spread and the distance to make a judgment on entry and exit.

You have to develop a psychology that is adaptive to scalping. You have to think of your trades as a batting average. You are waiting for the right pitch. You must not trade because you want action. Trading is not a natural process. It is a skill that must be learned. Scalping is the hardest form of trading because you are all the time battling the desire to over trade. You have less data to base a decision on because getting into a trade early is important to profit. So timing becomes a mental battle too. Do I have the entry or not. It is made easier though when there is real momentum in the market. In a dead market like in the example you are probably chasing price and being beat by the spread. If you have the time to sit at the computer and master the psychology that is required to trade the one minute time period than it may become your favorite trading technique. However everybody new to trading thinks the 1 minute is easy. The truth is it is the hardest trading period to trade. That is why I held up from doing the one minute initially as part of the ribbons. However with lower volatility seeming to be the new condition as we get farther from 2008 it may offer some trading opportunities when there is some separation on the CSS that higher time periods do not offer for intraday trading. However I have always recommended to new people to start with Bob's 10.6. Now since he developed the 10.7 - 10.9 system trading that on the hour and up charts is a good place to start. You can do the latter with my ribbons or with Bobs charts. It does not mean you will not find your way to scalping or for that matter intraday trading. Becoming successful at trading first is easier on the higher time periods. You simply have more data to make a decision when using a good system like Bobs. Lastly, DO NOT SCALP NEWS. Go to a higher time period if you want to trade the news. The 1 minute at the release of news is just too volatile to get your bearing looking at it. A move up looks enormous on the 1 minute but that may be followed by an even bigger move down. You just lose perspective on the one minute. So beware of news releases. Fading the news may be your best technique with the 1 minute. What is important in trading is the process of trading. Great traders enjoy the process of trading which is documented in some of the books of Jack Schwager. So you have to find your time period to trade that best fits your life and psychology once you have established some success. If scalping is your strong suit you will want to find a broker that offers the lowest spreads. There are a couple in the US that do that. I

will not get into naming them but you can do some shopping. If you do have the resources to open a professional account usually over 10000 dollars many broker will give you better spreads. However that is not necessary. Do some shopping and comparison, than I think you will be happy with the results. Outside the US you have even more choices but look carefully for proper regulation.

There no doubt will be additions to this manual in time but the system seem to be reaching maturity.