



Lohad System – Under Construction

05-15-2009

Welcome Crew!

First of I want to thank everyone who has put in their time in the past and as we move forward in helping me create and adapt this system to where it should and could be. I know it has been a long road. As we all know the Forex world is always changing. With this being said, systems will constantly need to be adapted to keep up with the vast variables that the Forex market possesses.

I suppose there is the question of why I am not posting my newest modification of the LOHAD system publicly on the thread. Well there are a few reasons and I intend on explaining my reason for this direction.

When I first put this system on Forex Factory, my goal was to share what I was using because I had found good success with it. And to be honest, this system is nothing new or ground breaking. It is merely bits and pieces from various other systems that have been posted on Forex Factory. Like any currency trader, I look at a lot of various systems posted on a number of threads. And what I have done was taken various aspects of these particular systems and molded these items into a system that I could recognize and rely on for confidence when it comes time to pull the trigger on a trade. And also what I was looking for from the Forex Factory community was potential enhancements for this system.

Needless to say, the direction that this system went, once posted on FF was completely unexpected. There were more good things that came out of it then bad things. I have learned a lot from the various traders I have come in contact with due to this thread. Also, I have learned that the maintaining the thread and chat room was more then expected.

So with this being said, I am looking for a few people that have used this system before, and are willing to take a look at what I have come up with. The goal would be taking this “new” adaptation of the LOHAD system to new heights. And to form a “crew” of people that will have thorough knowledge to help assist me in the thread and chat rooms, once this is released to the thread.

It is important to me to help, and give back to the FF community, and share what we have come up with to aide in successful currency trading. However as being a trader and

relying on this for a living, I need to be able to focus on trading during my “sweet spot” trading hours and not feel the need for prompt answers on the thread and chat. So I am hoping to create a group of people that can also have the confidence of answering questions that are applicable in trading this system. Does this make sense?

As some of you have noticed, I have been absent from the thread and chat room for the most part. This is not because I have stopped trading this system or walked away from it. It is because I have been testing modifications and variations of the LOHAD system and I did not want to take the thread on more twists and turns than I already have taken this thread. In this time I have put together two different templates with slightly different looks to the market. Both have proved to be profitable for me. The issue I am having is getting down to one template that is clean, clear and reliable. Which has brought me to this point.

Allow me to display what I am working with.

I am currently working on two templates. I am implementing the same strategy on both templates. I am scalping on a M1 chart. This also looks good on a M5 chart as well. Everything as before remains the same as far as my theories on countertrend trading. You can do them, but there is definitely more risk involved with them. I try to stay away from them. Support and resistance are also looked at the same way.

On stop losses, I have implemented, more often than not, a 5+Spread stop loss. For example EU would be a stop loss of 7 pips. I have held on longer depending on how my chart looks.

On Exits, I have use different methods. I will use a TP of 10, which seems to work (remember I am a scalper) and the other options I will point out on the screenshots.

Remember PA is always king. If you are not aware of price action, it is my belief no system will be viable for you. You need to know S/R, pivot points; trend channels etc, I always look to see what is going on M5 chart as well before I pull the trigger.

LOHAD V3 Beta 1.0



First a Clean view of LOHAD V3 B1.0. See next picture with additional notes attached.

LOHAD V3 Beta 1.0 Continued



Let me explain what we have on this template.

MA in Color (20): I have this indicator set at 20. This is replacing the 50 SMA that I have used. However I am thinking of adding the 50 SMA again to confirm trend. This is something we can figure out. As for now the 20 MA in Color is what I am using to determine what direction I am trading.

Rainbow 10: I am using this as my “fence”. This replaces the HA Smoothed from the previous versions. Cutting across to get my entries and a re-cutting as a possible exit (will show possible exits on a screen shot).

TSR Signal Line (12): This is being used as my Cutter, this replaces the MaxNonLag MA from the previous system

Dynamic Zone Stoch: This is the top indicator Window. This shows a Bollinger Band with a Stochastic Setting. I look for the cross of the Red and Blue lines. A lot of times this will happen first and give us warning that a move is coming.

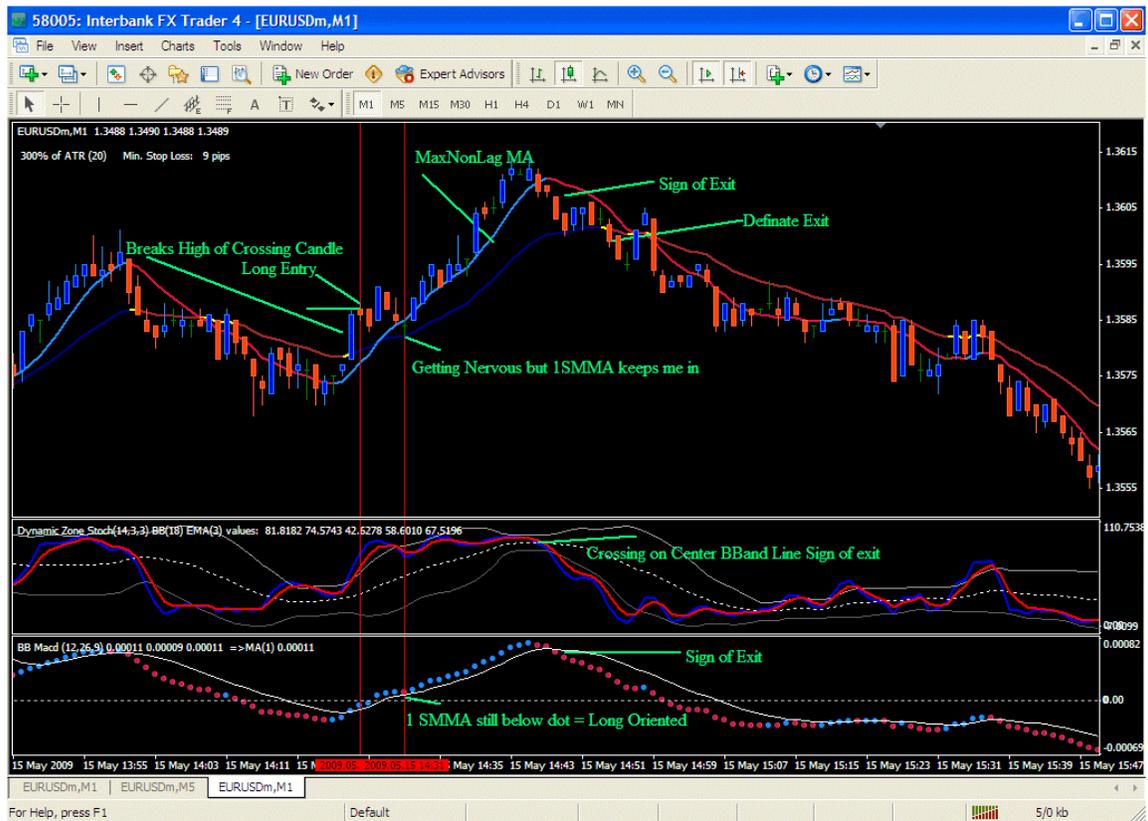
BBMacd: As usual the BBMacd is my power indicator. You will noticed I have changed this a fair amount. I have inlayed a 1 Smoothed MA. I use this as a crossing system as well. If I am looking to go long, I need to have a blue dot with the 1 smoothed MA crossed BELOW the below dot. Shorts are opposite, Red dot with the 1SMMA ABOVE the red dot. I also pay attention to where the color change is on the BBMacd. Lets say that we have been in a down trend and there was a little pullback, then price continues to appear to go short. If I get a new red dot with the 1SMMA above the red dot, BUT this is happening at the bottom of the indicator window, I will more then likely not get into the trade. It could lead to a chasing the trend scenario.

TRIX: This is basically a Red/Blue Ribbon flip. I mainly use this as confirmation to get into the trade. I rarely use this indicator as an exit indicator.

LOHAD V3 Beta 1.0 Exit Strategies



LOHAD V3 Beta 1B.0



Alright this is version B of LOHAD V3. This is a cleaned up version of Version A. You will see I removed the TRIX and Rainbow 10 indicators. I also replaced the TSR Signal Line with the MaxNonLag MA.

This is a more aggressive approach, I am looking for price to cross the MaxNonLag and the MA in Color and then look for my indicators to agree. I also will look for price to break the H or L of the crossing candle before I enter.

To be honest I tend to use this version more then the other one. I think I use this more on trending markets and then the other one on ranging markets. Maybe both of these types of templates can work depending on the type of market that we are dealing with.

Well there it is. Take a look, kick the tires and please experiment with it. I look forward to your thoughts on this,. Once this is finalized, we will place on the thread and hopefully by that time we will have a nucleus here to help assist any new traders that want to use this on the thread and in the chat room.

Thanks for your time! Let me know if you have any questions.

