Slow and Easy PVSRA

I know people here are trying to help but lets focus on how to improve this system. TAH has his own method and that may in the long term prove to be the perfect system but for now the drawdowns are potentially unlimited so I dont care how good your money management is if your are playing with a decent sized account (ie one that generates your income) then this system is not yet viable simply because we have no exit strategy for when things go wrong. To be safe, minimise drawdowns and see a reasonably **consistent** percentage increase in account size I think there are a number of steps to using PVSRA.

1. Look for PVSRA signalling a potential change of trend direction
2. Look for a clear break of the trend. How you do this is up to you, I use trend lines and highs and lows because I am old fashioned but the dragon slop is just as good I suspect. Once this is clearly in play go to 3.
3. Await the next PVSRA signal. If this is a lower high (in an existing uptrend) easy decision, if its higher best wait.
4. Continue to add positions unless and until PVSRA signals reverse. Never add more positions than your money management allows, even if trade goes against you, it could end with wiping your account. If you get it wrong get out and come back another day. You may get out at the wrong moment but you may save your account from obliteration and the end of your trading career.
5. When PVSRA signals potential trend reverse be ready but do not act in haste. Slow and Easy PVSRA. If this happens consider exit or a stop loss above/below a suitable point (maybe last high or low or an in the money stop).
6. Run the position for as long as the PVSRA signals and or trend remain in place. Once they reverse look for exit or make sure stop loss in place.

Money Management

I have gone on about this before but realistically if you have no exit strategy for when a trade goes against you then you need unlimited capital. Not an option as Barings Bank super star Nick Leeson will tell you. With a sensible limited strategy for each 1 unit you probably need 1000 x your pip value. So if your max is 10 units you need 10,000 x your pip value. If you are going to run say 5 pairs simultaneously you need 50,000 x your pip value. This is just a guide, form your own views but err on the side of caution.

Finally I have been running PVSRA and scalping side by side to compare. My scalping produced returns of about 3 to 4% per day, ending with about 14% for the week. PVSRA wiped an account - but only through poor money management on my part, but has recovered that and some to end the week 1000 pips up ish. If I use the above formula I had 5 pairs running with up to 10 lots so theoretical account size needs to be 50,000 giving me a return of 2% for the week. It was however a disastrous week for me with PVSRA as I was not applying the above.

All in my humble opinion and with complete respect for TAH's fabulous performance and diligence for posting every single trade realtime.

GBPUSD
S Spread 2.80
O Range 131 : 130
N Swap 0.78 : -1.98
C Crida 00:07:40
R 1.5523 0

S	00:34	Sydney
O	23:34	Tokyo
N	22:34	HongKong
C	17:34	Helsinki
R	16:34	Frankfurt
	15:34	London (LB+1)
	10:34	NewYork

Step 1: PVSRA is showing signals at lows. These are early warnings of a potential change in direction but the trend is intact.

Step 2: Existing trend line is broken and higher highs and higher lows

Step 3: Initial entries at PVSRA signals and/or Sonic Classic

Step 4: Build position as trade progresses

Step 5: PVSRA giving warnings of potential trend change. More entries here are risky but OK so long as trend is not broken and clear PVSRA signals
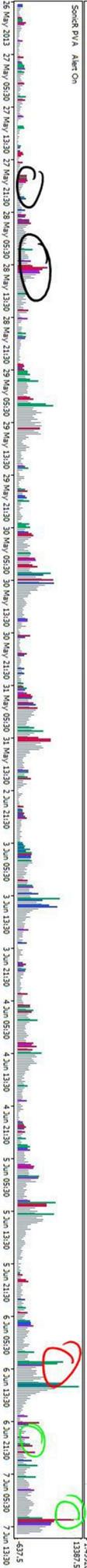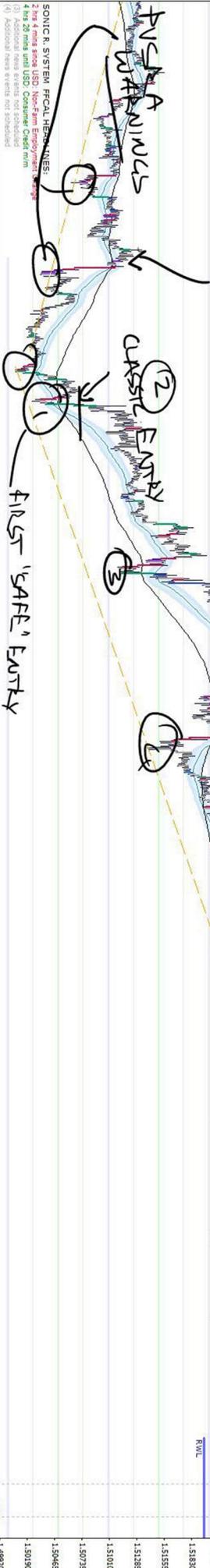
Step 6: In this instance trend acceleration signalled end of run. Exit and start looking the other way.

STEP 1   STEP 2   STEP 3

STEP 4

STEP 5

STEP 6

PVSRA WARNINGS

TREND BREAK

CLASSIC ENTRY

FIRST "SAFE" ENTRY

TREND INTACT.

WARNINGS

SONIC R. SYSTEM FFCAL HEADLINES:
2 hrs 4 mins since USD. Non-Farm Employment Change
4 hrs 29 mins until USD. Consumer Credit m/m
(3) Additional news events not scheduled
(4) Additional news events not scheduled

SonicR PVA   Alert On

1.55920

RDH
RWH
RDL
RWL

	1.56740
	1.56665
	1.56590
	1.55920
	1.55645
	1.55375
	1.55100
	1.54830
	1.54555
	1.54285
	1.54010
	1.53740
	1.53465
	1.53190
	1.52920
	1.52645
	1.52375
	1.52100
	1.51830
	1.51555
	1.51285
	1.51010
	1.50735
	1.50465
	1.50190
	1.49920

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