

# AO Method

Well then, I have created another method. Oanda recently added the Awesome Oscillator to their (crappy) charting package, and I have found a way to use it to my advantage☺ Thanks Oanda!

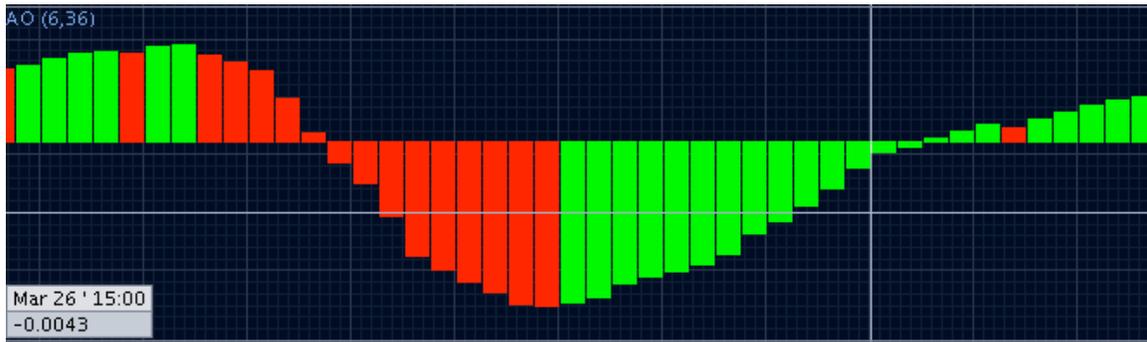
Oh, haven't gotten around to backtesting this yet, but I'm fairly sure it's a winner (any helpers for backtesting?)

So here's what you need:

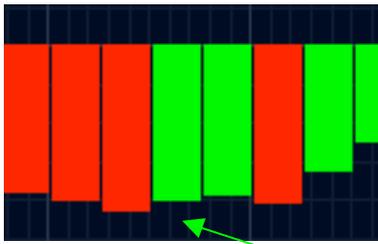
- 15-Minute Chart
- SMA(20)
- AO(6,36)\*\*\*
- AO(10,20)

\*\*\*This Awesome Oscillator will be the main one you will look at.

So, how do we read Awesome Oscillators? Let me tell you what to look for. Well, first of all this is what it looks like:



## Buy Signals



Ex 1



Ex 2



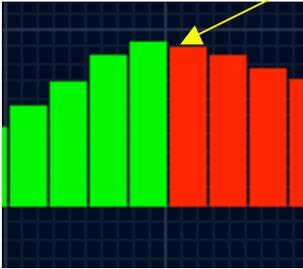
Ex 3

Ex 1: A higher bar occurs on the negative side. All it has to do is be higher than the last one. **Notice it is going from red to green.** It JUST has to be HIGHER. Also, if two bars are equal visually, then IT IS NOT HIGHER.

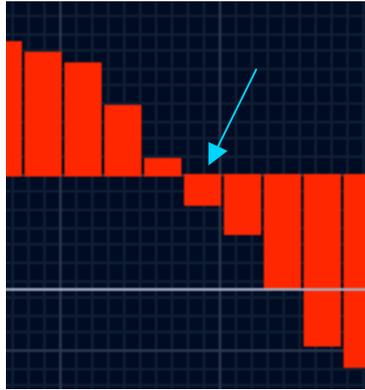
Ex 2: Again, another higher bar on the positive side. Notice from red to green.

Ex 3: Here we are going negative to positive. This is good for a BUY.

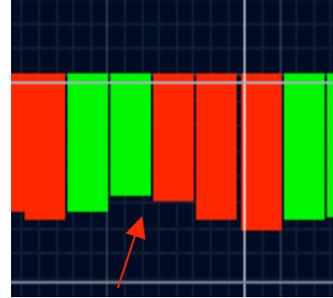
## Sell Signals



Ex 1



Ex 2



Ex 3

Ex 1: All that is needed is a lower bar on your AO. Look how it is going from green to red. Also, a reminder that **two equal bars is not a lower bar**. Got it?! ☺

Ex 2: This is going from positive to negative. **SELL!**

Ex 3: Again this is a lower bar occurring on the negative side. All you need is a lower bar. Green to red.

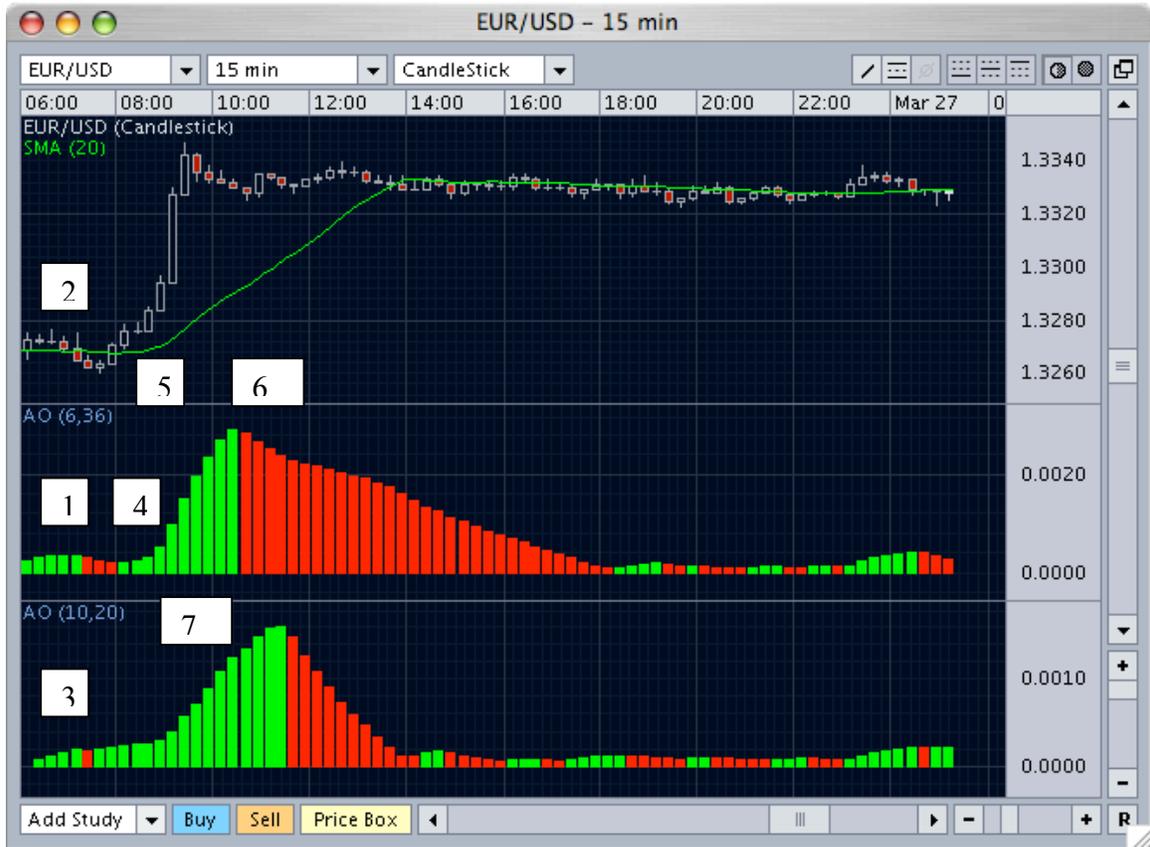
Alright, that was boring, I know...

Here's the juice:

1. Check your AO(6,36) for signals as mentioned above on your 15-minute chart.
2. If you get a long signal:
  - Check your SMA and be sure that the slope is flat or UP
  - Check your second AO(10,20) to see if it is going up in a positive manner, meaning that it doesn't have to have a buy signal, but just has to be green.
  - If above qualifies, enter long with S/L = 10 pips + spread.
3. If you get a short signal:
  - Check your SMA and be sure that the slope is flat or DOWN
  - Check your second AO(10,20) to see if it is going down in a negative manner, meaning that it doesn't have to have a sell signal, but just has to be red.
  - If above qualifies, enter short with S/L = 10 pips + spread.
4. Exit using candlestick analysis or Support/Resistance levels. Figure this out on your own, I think I've done enough.

So that's it! ☺

An example for the perplexed:



Alright, first we get a short signal at #1. Then we look over at our SMA, which is sloping down (hard to tell). Lastly at #3, there was a short bar amidst all those greens. Alas, this one is a loser.

Next trade, at 4, we get a buy signal when it turns from red to green. We check our SMA at 5, and it is saying, YES, BUY ME. Also look at the bottom at the overwhelming green. Looks good. Exit when you're satiated.

Next signal, AO at 6 triggers a sell signal. We look at the other AO at 7, and it is not saying sell..... The SMA was saying buy, but the second AO failed, thus we stay out. Looks like a good thing, too!

Enjoy,  
Kevin