

Current realized loss is -63 pips with 9 sell positions established. Average loss of -7 pips per position.

Moved TP of 8 sell positions to 100 pips each.

Keeping 1 sell with no TP.

I still have 1 buy position from yesterday.

Just to continue answering to Eklavya. The first skill you need to acquire is correct price action interpretation on lower timeframe. I upskilled from x3 20 TP exercise for few months.

Once that is done and you are profitable on intraweek or any short term trading you will naturally phase out to longer timeframe as you get more confident.

Current status on eur/usd 4hr. Im near the open of the current 4hr candle. Which means I have placed myself to be in the better position as the retrace of the next 4hr candle most likely wont reach this far.



Good day all.

Sincerely,

Graeme



Nov 3, 2010 2:23am

3403



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Member Since Dec 2009

10+V 760 Posts



Thank you for your continued interest.

I had to take a nap before continuing.

Update.

eur/usd 4hr



Im now looking for buy opportunities.

Looking for sellers to run out of steam before I start opening buy positions.

Never marry a direction.

While many traders are looking at sell opportunities while the market is moving down, I prefer to be already in the market before the main action starts.



Nov 3, 2010 3:21am

3404



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Quote:

Originally Posted by **hubbahubba**
Hi Graeme,

Quite an impressive real time demonstration. You make it look so easy. Unless I am mistaken, isn't this a somewhat different style for you? Unless I am mistaken I seem to remember you starting at higher time frames before dropping to 5min for entry. Are you talking about TP at 100 pips just as an arbitrary point for demonstration purposes?

What are you looking at for exits with this method? Are you just looking to establish long term millipede legs or are you looking to exit when you gain perhaps 100+ pips and then price action goes...

Good question.

I trade only the higher timeframes however I have received many requests for a trading approach on the lower timeframe as most dont see the necessity or the need to hold onto positions over a long period of time.



crede quod habes, et habes



Just to further answer to Hubbahubba as I had missed it out in my previous answer.

I AM still taking hindsight from the higher timeframe first before taking trades on 5min chart. Just like we always talked about.

This was Monday eur/usd.

I had 4-5 sell positions. Why? My price interpretation on 5min timeframe is same as any other timeframe. And what does my price interpretation indicate on Monday?



So, on Monday (look back few of my posts, its there)

I took sell positions only as per my hindsight on 4hr timeframe.

Lets look at yesterday, Tuesday



So, yesterday what did I do? I started buying (look back few of my posts, its there)

Someone asked me if it really is that simple to buy when its up and sell when its down.

....yes it is.

Today, there is an exhaustion of buyers. If I were to sell this is the best time to sell. I just went with the flow and sell sell sell



At the moment then?



Nov 3, 2010 4:06am

3407



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And there is it. Volatile breakout.

Thank you for your compliments mamood. Charts are now in jpg.



This takes all my sell positions out leaving me with a realized loss of -72 pips for today's little selling endeavour.

Current net profit of this week is +704 pips.

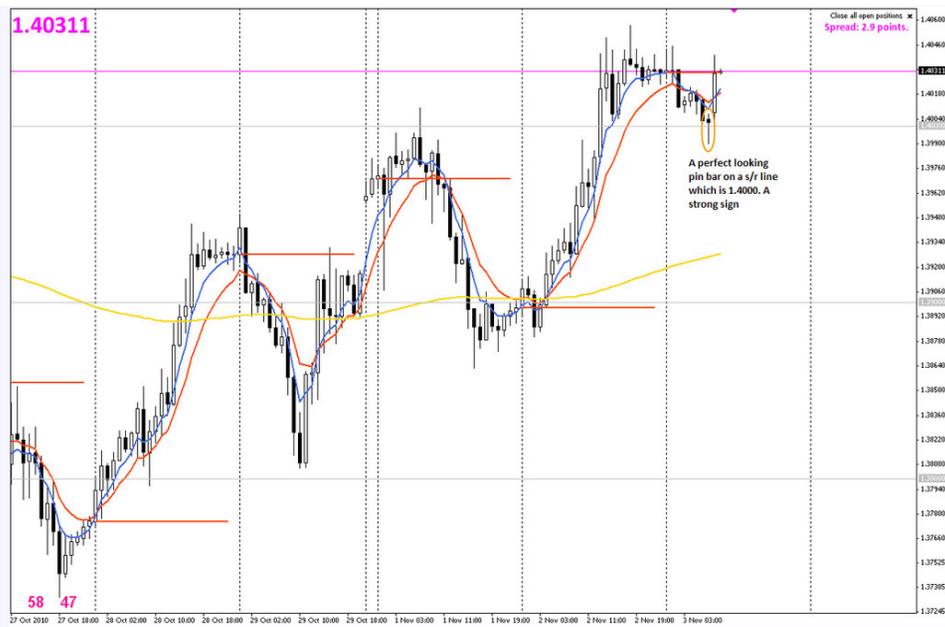
Now let's stop. Let's find out why there was such big movement. There is no such thing as "yeh Graeme, Europe opened and decided to go up today."

No. There is always a price interpretation hint somewhere before it happened.

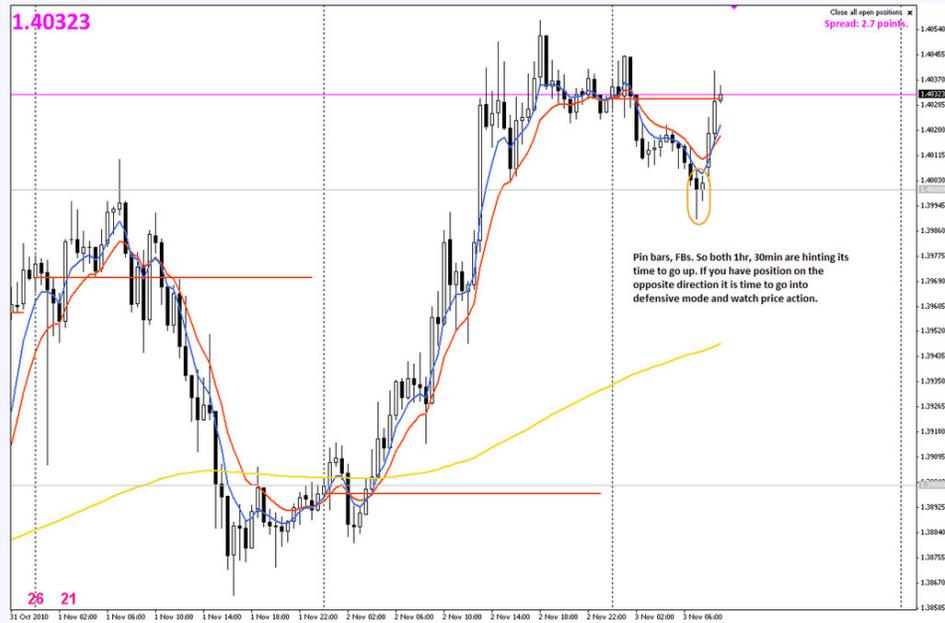
Let's have a look.

eur/usd 1hr.

Pin bar before the volatile breakout. Not every pinbar works but; small body, much longer tail, at s/r + at exhaustion.



eur/usd 30min.



Nov 3, 2010 4:20am

3409



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Thank you for the compliment, VEEFX.

You should take a break and rest as you have work tomorrow.

I just read your PM and will reply little later on.

You are correct, everything should work on all timeframe.

There is no such thing as one system only works for 15min timeframe but doesnt on 1hr or any others.

Sincerely,

Graeme



Nov 3, 2010 4:37am

3410



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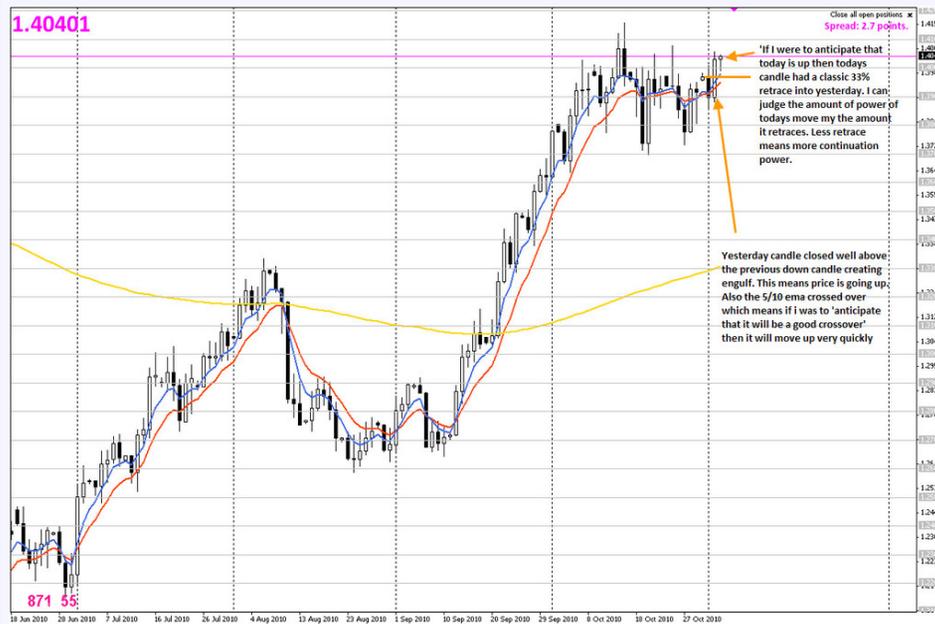


Every single timeframe tells you something.

Each timeframe is telling a story. At first you will be confused at the story 4hr chart is telling you to a daily chart.

You fail as a professional trader when you only listen to one timeframe.

Lets listen to eur/usd daily chart



Then eur/usd weekly chart



Look at this weeks weekly candle. 'If I anticipate that' it will go up the best place to open trades that has higher probability of surviving in the upcoming weeks is the open of the candle. Which is around now.

Can all these hints tell me that this week it will finally breakout up?

You never know until you participate on a low risk entry



Nov 3, 2010 2:24pm

3422



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Good morning,

Pippirate - Your price action interpretation looks good for pin bar/fb entries. Your question is more to how/why is my positions getting stopped out at BE when they were so hard to get it established. Especially when they have doubled/tripled your account balance in unrealized profit and then, to see them hit BE few hours/days later.

This is the question that is asked many times. Why is it happening? How can I prevent it?

Each trader needs to buildup at least 100 hours of trading. Demo or live. At the moment most readers do not have any statistical data on their trading. They dont know how much they are spending to establish 'x' number of positions. What their median profit taking is. And the average drawdown before 'x' multiplication of account equity.

I have been trading for some time to know exactly what my statistics are. And Im also risk tolerant and confident to hold onto my positions for the best golden runs. Some readers believe it is because I have large capital but its not the capital but self awareness of my statistics.

When you first start, you % rate will fluctuate for the first few weeks.

1st week - 50%
2nd week - 80%

You cant stop there and say, "my average win rate is 65% over the 2 weeks" so I will adjust my r:r accordingly. 1:2 should be enough

But then..

3rd week - 20%
4th week - 10%

Now your average win rate is 40% and you find that 1:2 made you lose money.

Then traders will give up, log into forum and post saying it doesnt work because they have already spent all their capital on the first 4 week.

Your true win rate, median drawdown,

Do you know your:

1. win rate
2. median drawdown
3. average realized drawdown per week
4. average realized drawdown per month
5. largest unrealized profit by monthly
6. median unrealized profit by monthly

You need to know your statistics, just like a shop owner knowing how much they buy items from wholesale and how much they sell for to retail.

Pipfirst - The horizontal line is just drawn at 50% of the previous candle to show that current 4hr candle retraced and bounced. You will find this very often. Also it is resistance and open price of the day

Roadrunner - Good trading plan. There is one catch to stacking positions on small timeframes. You need to know when to trade and above all control your risk. Never try too much in one sitting or one 4hr candle.



Nov 4, 2010 1:42pm

3443



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Member Since Dec 2009

[10+V](#) [760 Posts](#)



Good morning, all

Very good questions and thoughts.

Im glad to hear some of the questions that are asked.

I have read all the posts and perhaps this post aimed at everyone will further clarify.

First, lets talk about personal threshold as questioned by VEEFX.

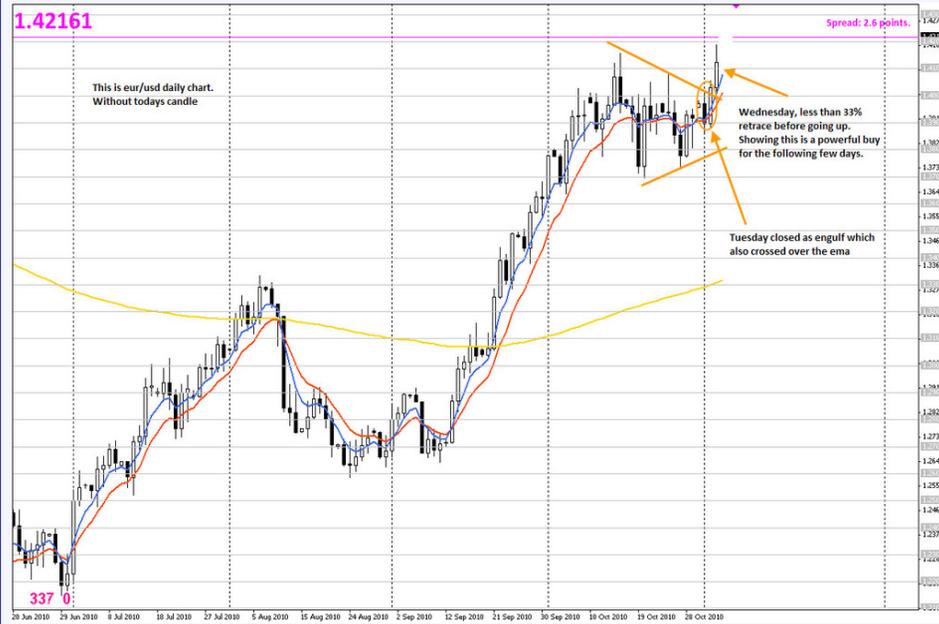
Although it sounds like a good logic to say,

'Ok. I know from my previous experience I have the confidence to aim for 1500 pips but I cant see myself getting a 800 pip realized loss to get there. So, when I reach -800 pips I will stop.'

Nice goal of 1500 but there are ways to know that it will not work out before losing 800 pips.

You must consult with the price action of higher timeframes all the time whether your goal of 1500 is still achievable.

This week I have been looking for 100 pip swings on intraweek of eur/usd.



Lets just double check of weekly chart agrees,



So, your price interpretation this morning would be 'up.' Then execute that hindsight on the lower timeframe. Trading at the optimum time.

This is eur/usd 4hr



However you still dont know if your plan will work as the first chart. But you have **participated into the action as per your plan** and you are **now** setting yourself with that -800 pip threshold.

Its not the other way around by planning a 1500 pip profit with 800 pip loss threshold without planning with daily/weekly chart beforehand.

To aim for 1500 pip profits you must choose the correct scale to play on. 1500 pip profit is achievable on weekly, monthly charts. Consult with them first and then you scale down to lower timeframe to start executing.

Knowing when to trade - You must consult with higher timeframe with your intentions

Executing your plan - You must take risks on the lower timeframe whilst aiming for your plan of the higher timeframe

The above will only work when you have upskilled your price interpretation and **have few things that does work for you all the time.**

Mine is:

1. Judging the movement of power from looking at the % of retrace. Less retrace before going towards the direction I want means more power
2. Price likes to double wick bounce, triple wick bounce, open price bounce, 50% fib bounce. One of them always always happens
3. Pin bar, engulf, flying buddhas
4. Volatile movements on 'good' ema crossovers

When I plan my goal on the higher timeframe and start executing. Sometimes it will work straight away and then start phasing out and not working. Then something has changed in the higher timeframe.



Nov 4, 2010 2:58pm

3445



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Member Since Dec 2009

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Quote:

Originally Posted by [hubbahubba](#)

Sorry to be a bother again but can someone help me understand what Graeme is doing with stops on these recent trades? I have read the whole thread and those links don't help. He is swing trading now anyways which is different.

I think where I am getting confused is that his broker perhaps allows him to set close all position stops on each pair. My broker doesn't have that feature.

Good question.

Im showing intraweek swing trading as there has been many requests for a trading approach on the lower timeframe.

I prefer not to swing trade however I can if I wanted to.

I can also swing trade and then leave at least 1 position on each swing without closing it.

This showing could start a new encouragement to traders to not close all their position but at least have 1 position left behind for free.

Like member aud mentioned, 'a stepping stone was needed.'

My main focus on current showings is the very important and much needed price interpretation which most traders can still upskill further.

Imagine everything I do now on intraweek exactly the same as higher timeframe of weekly/monthly. Whereas stop losses/losses on intraweek means small pips which most traders seem to stomach whileas stop losses/losses on higher timeframe is larger which most traders cannot comprehend.

However, once you find that you can trade profitably on smaller scale you will naturally evolve to trade on the larger scale as this means much bigger rewards but less number of wins than intraweek.

Sincerely,

Graeme



Nov 7, 2010 4:32pm

3479



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Good morning, all

Apogies for the delay in replying to your private messages. I had many things to catch up in the last few days. Im trying to spread my attention to few things and one of them includes the contributions on this thread.

I hope traders have studied my price interpretation that I have posted in the last few pages.

Without good price interpretation you wont be able to make near short forecast. Price interpretation is not correct all the time but enough times for you to take advatange of and create profit.

Some of the questions I receive is, what do I exactly do? Why isnt there an exact trading strategy within this thread?

Im certain that I have provided enough encouragement and insight into this matter for the reader to formulate their own 'exact' trading system whilst I have provided most of the ideas on trading approach.

A professional trader can create profit with any strategy, method within his hands. Because he/she knows that the vital requirements for profitable trading is universally/generically the same.

1. Participation
2. Low risk entry
3. Growth

This morning, I would like to touch base on one of the most requested questions I have received;

'Graeme, I dont have enough time to trade on 5min TF or any of the lower. Could you advise any tips on higher timeframe'

Im sure there are many traders who has work committments with their trading.

So let us think together.

First question.

"What type of candle do you prefer?"

Have you ever considered this question? Not many has. I have mentioned few times in this thread that Im very interested in candles (on any timeframe) that open and charges forward without any retrace. If you have not thought about this, it is time to think.

Let us look at eur/usd daily chart



I have highlighted candles that has little or no retrace and then moves towards the direction of ema crossover.

As you can see, most (not all) candles that does move forward without any retrace also has higher probability of survival for the longer term. And this happens on any timeframe; monthly, weekly, 4hr and so on.

Let us view few more examples on weekly



Once again, I have marked candles that moves forward without (or little) retrace towards the direction of ema crossover.

And this happens on any timeframe.

If you havent thought about this, it is time to as this is one of the tools on my belt.

The smart readers will now jump up and ask, 'Graeme, I have already thought of that but how do we know in advance that the next candle will be a good bold one?'

I dont know. However you can use money/position management to extrace profit **if** it does work. And for that to happen, you will need to participate on a low risk entry.

I have mentioned few pages ago that I know my statistics very well and that one of the methods I currently use is risking 10 pips for potential 1000 pips on eur/usd. And if you think carefully you will know how I do it here.

Continuing on..



Nov 7, 2010 5:14pm

3482



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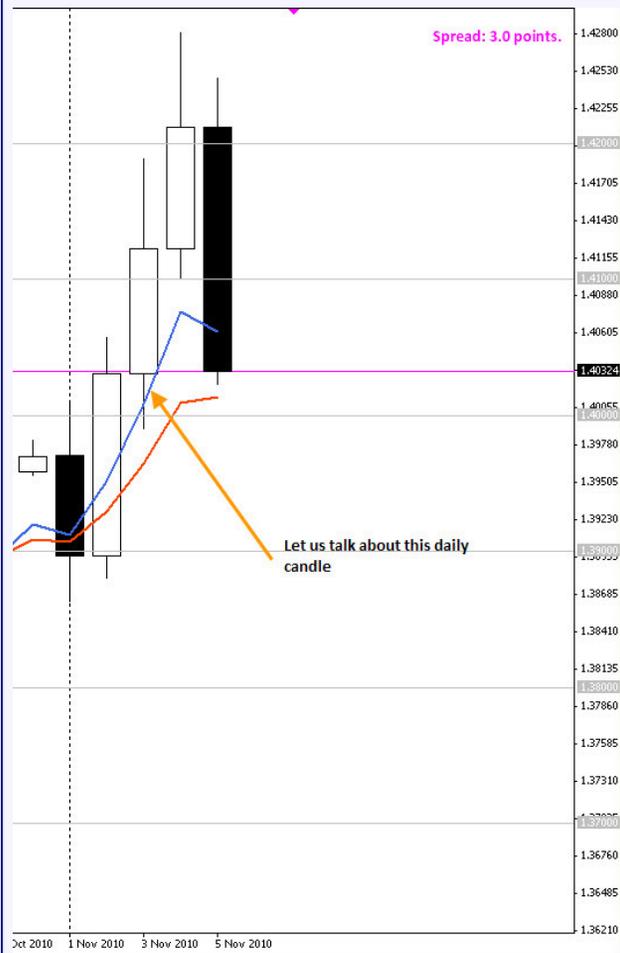


This is my train of thoughts.

1. Open eur/usd daily chart at start of new candle (for myself its the asian session)

And ask myself 1 question. Is it going up or down? And this simple question is governed by the ema crossover. We all know ema crossover has flaws but 'most' times the candles do move forward as per the direction of the crossover.

Let us consider the last few days on eur/usd daily chart



Now with the daily candle deleted appropriately



So, the 1 question I ask myself is, "is it going up or down?"

Ema is crossed over to go up so for now I choose up.

Now I anticipate its going up

Whats next?

Participate in a low risk entry

How do I do that? It is by anticipation.

You need to anticipate that today will be a good day before it happens. You must assume that today's daily candle will be up with no retrace. Now this is where your **personal threshold of stop loss comes into play.**

For this type of method I choose 15 pips on 4hr chart, 25 pips on daily chart, 70 pips on weekly chart, 120 pips on monthly.

This setting needs to be tweaked by yourself through trial and error and find your own comfortable level.

Lets go back. Since the above chart is daily, I have 25 pip stop loss. So as soon as the day opens, I will open 1 position towards the direction of the ema with my personal threshold. So on this day, I have a loss of -25 pips as the retrace is more than 25 pips.

Let us look at a day it did work out for me, eur/usd daily

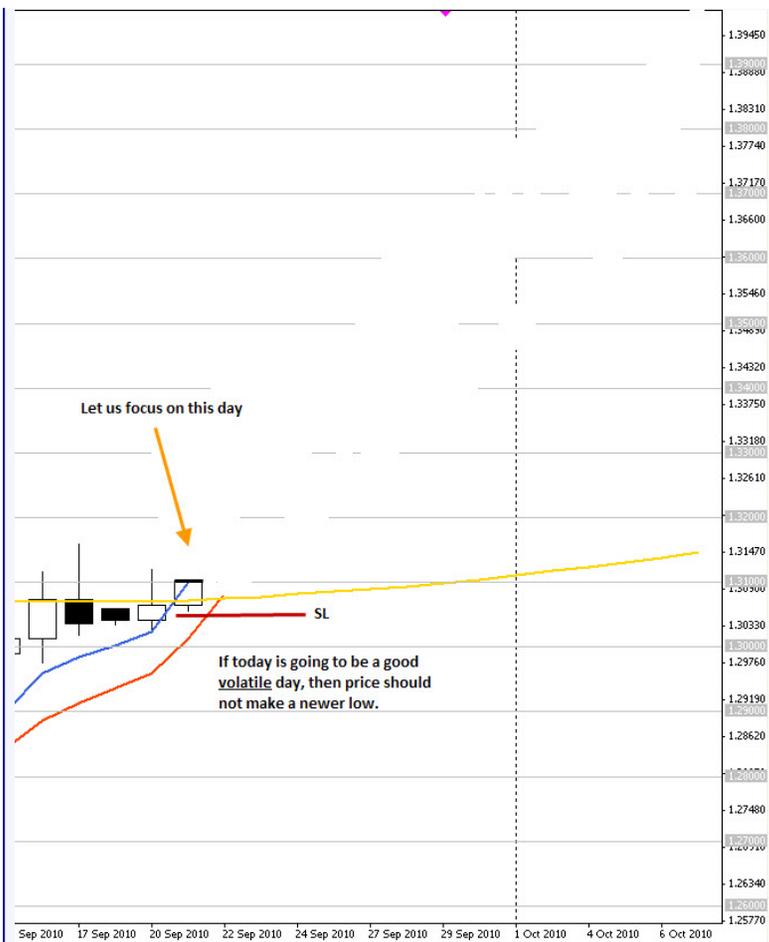


In the month of september it looks like there were 4 days that my stop loss of 25 pips was not hit and would have survived.

This is where I ask myself another question.

"Ok. Position has survived the retrace and it now 30 or 40 pips in profit. How can I amplify the profit taking if this the day that price will never come back" **Alot of ifs when im anticipating.**

I will open another position and move the first position to breakeven. If today is a good volatile day then price should not make any more newer lows (or highs).



With 2 positions in play, you are covering few scenarios.

The first position is at BE at open price of the daily candle whilst second position is at -40 or -50 pips with SL at the lowest price of the retrace. That is an average loss of 25 pips per position however the second position has a bigger breathing space.

Price will charge on with both positions in profit or price might retrace near the open of the day closing the first position but price does not make a new low so the second position survived to end up as profit at end of day.

I would like to stop you here and advise you, you can alter few things above.

1. You dont need to add second position if it doesnt suit your trading style. However, you will need to find other means to amplify your profits.
2. Your personal threshold of stop loss for the first position could be larger than my 25 pips or lower than my 25 pips. Bigger stop loss will see you more positions surviving till end of day however bigger losses. Smaller stop loss will see you more number of losses which are smaller but less opportunities.

Now this method above will ensure that you capture those volatile bold movements.

Take profit is only again to your personal threshold. I aim for 1000 pips for each positions. Once again you can tweak this setting to your personal threshold.

You can aim to catch profit totalling 1000 pips with few positions - This means that you will have few more wins over the course of year than

myself.

I aim to catch 1000 pips per position - This means I will have less wins than the above trader but bigger potential profit in the long run.

You could even adjust the take profit pip of 1000 to 500 with few positions totalling together or 500 pips each position. The adjustments you could do is endless.

This method works as 3 vital ingredients were added.

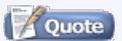
1. Participation - for a volatile breakout
2. Low risk entry - risking 25 pips on daily chart
3. Growth - letting the position grow to its greater extent

You will need to demo or live (on small account) for some extended period of time collecting data on your trading statistics and tweaking the above settings.

There is one more thing I wish to add..

Continuing on..

Last edited by pipEASY, Nov 7, 2010 7:07pm



Nov 7, 2010 5:39pm

3483



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Member Since Dec 2009

10+^w [760 Posts](#)



I believe what Im showing in depth today is from the very first post of this thread.

Opening positions at the open of the day.

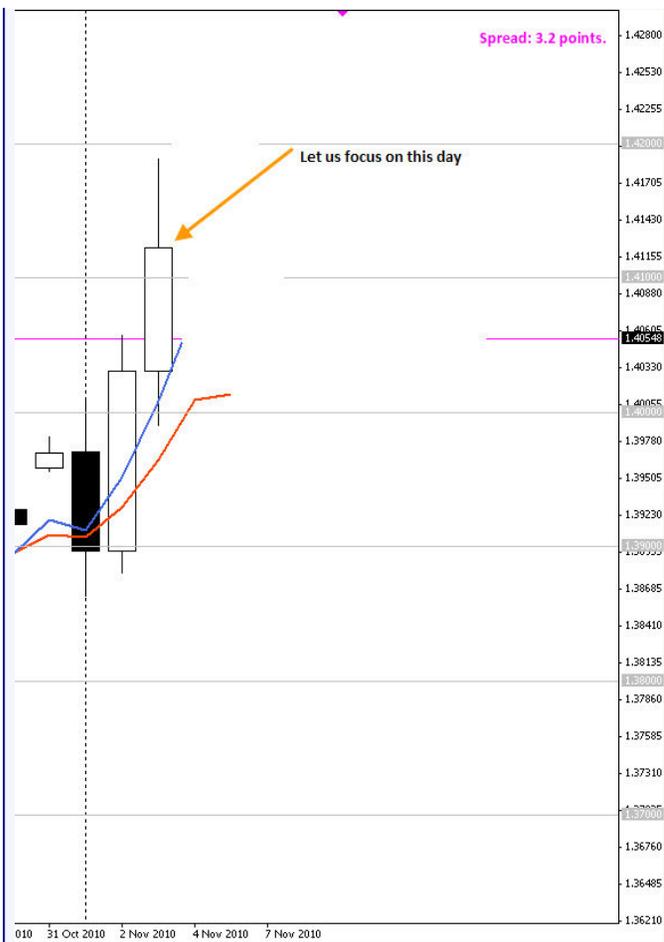
There is something else I also add in to the above method.

If today is just another typical day where the daily candle does follow the ema but with usual retrace.

Sometimes the retrace is greater than my 25 pip stop loss, so that gets me out of the game. However.

Some days there are retraces of more than 25 pips that will come back and charge forward.

Let us look at last few days on eur/usd daily



So the day had more than 25 pips .

When I watch a retrace happening, I set an alarm on my phone so I get alerted when price comes back to open of the day.

When I get alerted,

This is where I tell myself, 'if today is going to be a typical day up price should not make any more newer lows and move forward from here'

Then I would open a position at the open of the daily candle with stop loss at the lowest price of the retrace. This is where personal threshold comes in.

1. I do not want to see any retrace larger than 50% of the previous candle. This is important. I prefer less than 33% retrace on previous candle.
2. Preferably not bigger than 50 pips retraces.

And if my anticipation is correct I will find that price will move on. If it doesnt then **Im not interested** in a day where price fluctuates between open price and low price of the day.

So the first method aims for volatile moves that does not have any retrace and charges forward. These are the best movements in forex market.

Second method aims for price to first retrace and then enter when price resumes its anticipated direction.

I use both methods simultaneously.

Having touched on the framework of my higher timeframe trading, I would like to add as I have been asked few times.

Why do I put in the effort to share?

Some traders believe that, giving away trade secrets hinders their own profit taking however it is not. If Im going up and more people join in then it is a benefit for myself. However even a large number of followers wont affect the market movement at all. It is still assuring to know that our interest lies together and not against each other.

Sincerely,

Graeme

Last edited by pipEASY, Nov 7, 2010 7:08pm



Nov 7, 2010 6:02pm

3485



pipEASY

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Member Since Dec 2009

10+y [760 Posts](#)



Quote:

Originally Posted by **cameron1st**

Thank you Graeme, very good articles, read them with much interest and still thinking about the ideas presented.

Kindest Regards,

Cam

You are most welcome, Cam

I will answer your PM shortly. Apologies for delay.

For the last 4 months on this thread we have covered many many topics. I have given my thoughts and experience on many aspects of trading and replied to most of the requests received.

Now this might confuse many readers as I seem to be jumping from short timeframe trading to higher timeframe trading but it is all explained as per requests received.

Some traders prefer the excitement and pace of 5min charts or lower timeframe while some can only trade on 4hr or daily.

The method I have shown have proven profitability for myself on **eur/usd** for the last 2 years. Some had great drawdown but have never came back to starting capital once the ball started rolling. Nowadays I dont even consider capturing 1000 pips. But just let it run and diversify the positions when needs be.

I hope the smart readers can learn the successful trading approach and mould the best method out of their own mind.

You can try the method I have presented today on just the 3rd 4hr candle everyday with great results. Hope you use the above method with your upskilled price interpretation for a better result.

You will find at least 1 out of 5 3rd 4hr candle is the start of move that is at least 100 to 150 pips on any pairs.

Just with the above statistics, you could work out stop loss size and so on.

Sincerely,

Graeme