MTF TRIX Strategy

Trend Following System

TOP-DOWN APPROACH

Manual :version 1.4

By

GLENEAGLES

(Lrathi interpretation and version.)

PROFITABLE   FINANCE & INVESTING

FOREX

TRIX

ANALYSIS

READ THIS MANUAL 3-5 times

FX   *Table of Contents*   FX

General Intentions for this manual:

To be informative in the best possible way to get started in this SIMPLE yet PROFITABLE trend– following System.

Expectations:

- For **all traders** (beginners, intermediate, advanced) to READ this manual 3-5 times. *Why?* It takes the human brain 3-5 times repetitions to absorb new information into long term memory.

- Practice in a demo account for 1-3 months until making consistent money. *Why?* Takes this amount of time for the human brain to establish a long-term habit.

- Traders to use self-help resources by what is in the manual or by "Googling" terms and learning what they do not know in terms of 101 forex where possible. An excellent place to start is :**http://www.babypips.com/school/** *Why?* Independent learning pays off more in the long term, adult approach to learning, less frustration to those trying/ having to answer these questions in this manual..

- Consideration before asking questions and trying to see if they have used correct settings, indicators, read and re-read the document and try to find answers themselves. *Why?* Develops sensitivity toward others.

- All traders keep your fragile egos away from the thread and trading. *Why?* Heaven is the result.

- Freedom to use and profit or change and adapt to own personal version. *Why?* Trading is personal journey: what works for one trader may not work for another and vice versa.

EXPECTATIONS
Please don't disappoint

Acknowledgements:

Paidperpip for opening and moderating this thread and doing his best to keep the thread a warm and friendly place where each trader's post is treated in a positive/stimulating manner for us all to learn.

Gleneagles for this MTF Trix System and deciding to share his wealth of professional trading experience especially related to using the TRIX indicator with higher Timeframe participation.

• His intention is to help traders trade a simple yet profitable system by giving them the essence of this system.

Swingman, Royston, Xecret and Pipstroll for sharing their programming skills and providing the indicators used here for this strategy.

** **Lrathi** for writing this document
Her intentions:
• Provide a hardcopy of the information provided by Gleneagles in the posts originally on the MTF Trix thread all in one place . It is hoping that information provided here will result is less basic questions on the forum and more trading discussions.
• Providing her version of this system using the essence from Gleneagles system..
• Add some optional and useful trading information
• Add some additional commonsense trading information
• This is only a guideline of forex information nothing in stone.

** While this manual is a selfless gift of love to the forex community, it remains the intellectual property of the author Lrathi.

Lrathi has the sole right to give permission as well as withdraw permission on to which thread / forum she thinks appropriate for this gift to be posted.

Traders on the thread for their invaluable input so far in the discussions and feed back in terms of questions and answers . I have added some valuable posts in the manual.

WHAT is this MTF TRIX strategy?

MULTIPLE TIMEFRAME (MTF) means it uses one or more timeframes in unison to decide when to pull the trigger. (**THIS IS A TOP –DOWN APPROACH to trading**).

TRIX is the indicator used. TRIX displays the percent rate-of-change of a triple exponentially smoothed moving average of the security's closing price. It is an **oscillator** and **momentum** built in. Also, **divergences** between PRICE and TRIX can indicator significant turning points in the market. Its *trend following* properties and *leading indicator* considerations has advantages to many other indicators.
Advantages of TRIX and further information can be found here:

http://investopedia.com/articles/technical/02/092402.asp

The strategy basically uses the TRIX indicator with higher timeframe participation. ie **TOP-DOWN APPROACH to trading.** So when this TRIX indicator is in unison on a multiple of timeframes, it is time to pull the trigger. There are a few **additional simple tweaks** to help the trader put the probabilities of a winning trade in their favour. These tweaks will be mentioned later in the manual. SEE CHECK LIST.
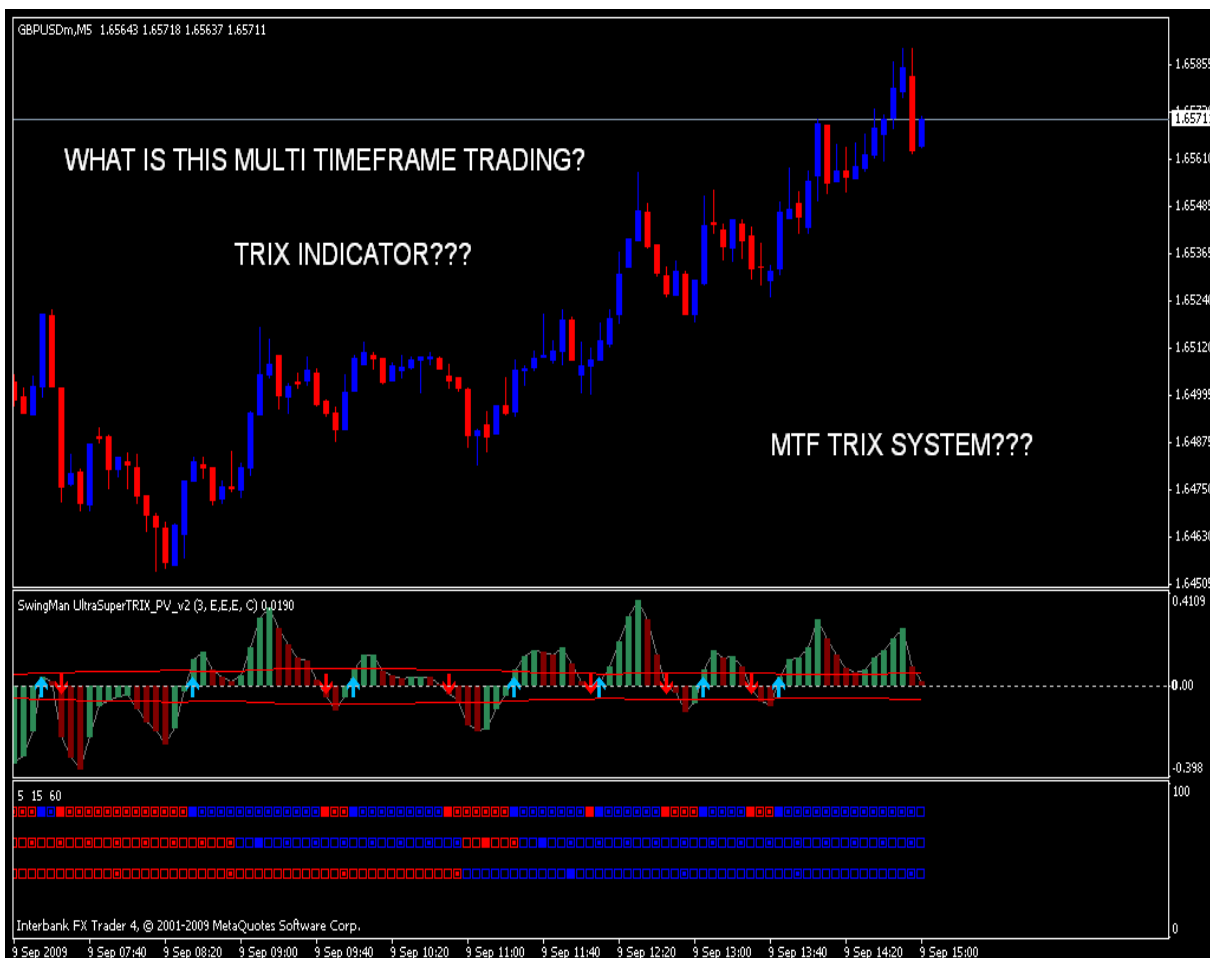

Figure 1. What is MTF Trix?

MTF TRIX
Trend Following Strategy

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INDICATORS used:
The main indicator is TRIX with a setting of 3,1,1,1.

Please place indicators in indicator folder of the MT4 platform.
Download indicator and save in a folder which you can find (hint = desktop). Find C: Program Files>
Metatrader 4 >Experts >Indicator. Close down MT4 and re-start program. Indicators will be in the Custom
Indicator folder in the platform. (See page 19 for tutorial links)

These indicators are divided into **mandatory** and **optional**.

Mandatory Indicators
These are found and downloadable from the paperclip icon ✎ of the on the top right side of each page on
this Thread.
Hint: Confirm all versions of Trix indicators placed on charts have a setting of ??? YES…..3,1,1,1.

1.   smC4 Scalper Signals v1   (Settings: 8,3,1.0,1,1,1,0, 3,6) (Has 1x MA filter)
2.   MTF Trix Meter _1.0d/1.1d   (See page 9 of this manual)
3.   Or MTF Trix Meter_0.91d/0.92d   (See page 9 of this manual)
4.   xADR_0.2   (Settings: ATR1=6 and ATR2=36, Display Position=1)
5.   smSuperTrix_PV_v2   (Look for Divergence, see Q4 below)
5.   i_ParamonWorkTime   (highlights suggested trading times)
6.   ###Auto Pivot   (Use Sunday data=False)
7.   Price_Spread_CandleTime
8.   MTF Signal Custom   (Alert indicator for when TFs line up)

To have indicator No.2 or 3 above running you will also need in your indicator folder.
These are downloadable from the paper clip icon on the thread.
A)   smSuper trix_v1 and
B)   Trix_signal_Price_Live
C)   Trix_Signal_Price_Live_Buffer

Q1. What is the working principle of MTF Trix Meter_1.0d/1.1d and MTF Trix Meter_0.91d/0.92d?
The change in colour of histogram when Trix has crossed zero.

Q2. What is the working principle of smC4 Scalper Signals v1?
An arrow will be displayed and stay at the CLOSE of candle when Trix indicator has crossed zero.

Q3. What is the purpose of the horizontal lines on the smSuperTrix_PV _v2 indicator?
Horizontal lines help determine when to enter, PA more volatile above/below these lines. Help to keep out of
ranging markets and enter when the market is trending.

Q4. What is the purpose of smSuperTrix_PV _v2 indicator on the charts?
By comparing the Histogram bars to the PA candles , look for divergence. This (Divergence) is the leading
property of this wonderful Trix indicator. It alerts the trader when the trend is loosing or gaining strength.
Especially look for **TRIPLE DIVERGENCE.** Very high probability trades will follow.
http://www.babypips.com/school/divergence_trading.html

Q5. What is the logic behind the working of ATR(5) and ATR(25)?
If ATR (average trading range) of last 5 candles is higher than the ATR of the previous 25 candles, it simply
means that trading activity has increased, conditions we are looking for before entering a trade. 5 and 25
means that you compare a period of 25 minutes with 2 hours 5 minutes, 6 and 36 is the same as 30 minutes
versus 3 hours.

Q6. Does using 1x or 2x MAs as a filter reduce false signals? Eg Settings on smC4 Scalper Signals v1
(mandatory indicator) or DXTrade C4 v3.2 (see optional indicator)?
  YES ! Try it on your charts!
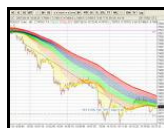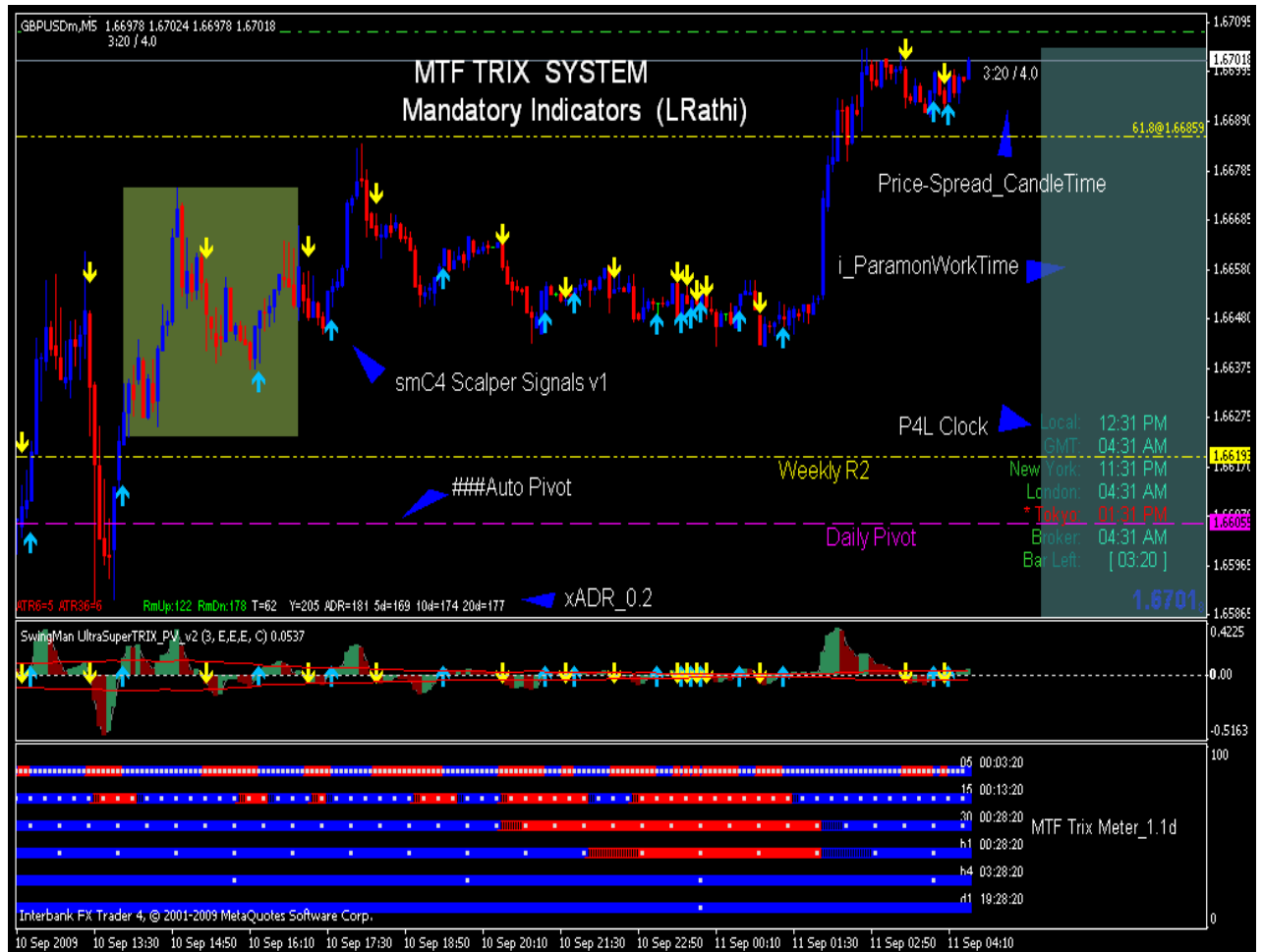
Figure 2. Mandatory Indicators

How to install MTF Trix Meter on your chart?

How to get a couple of indicators into one indicator-window:

1. Choose an indicator and open an indicator-window
2. Choose a second indicator and click **once** with the left mouse button. Now the name of the indicator is marked.
3. Click with your right mouse button on the marked indicator and drag it into your indicator-window where you have your first indicator.

When you take the TRIX-indicators into one window you have to change the second number (in attached example it is 95) to different numbers so that they do not use the same position in your indicator-window.
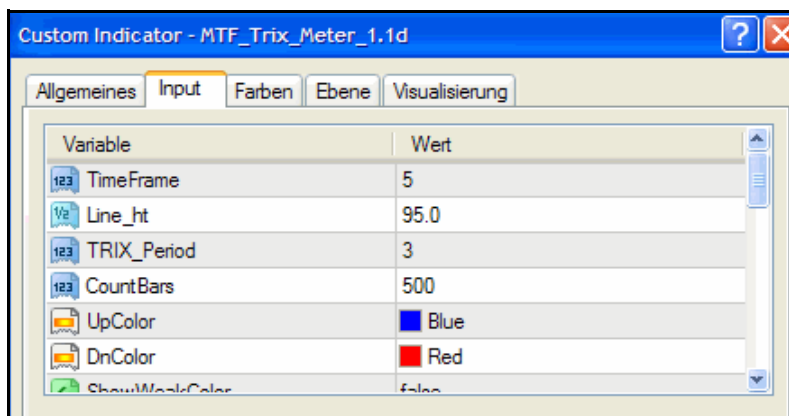
About MTF_Trix_Meter indicators: The three Versions

If you would like to use the multi-timeframe trix meter indicator, you are suggested to use one of the versions listed: All versions are available in Zip file format on the paperclip icon on the thread.

(1) Trix MTF meter roy 05 showing confirmed signals
(2) MTF_Trix_Meter_1.0d or MTF_Trix_Meter_1.1d
(3) MTF_Trix_Meter_0.91d or MTF_Trix_Meter_0.92d

The first one was coded by Royston and others by xecret.
Royston's version shows you the confirmed signals. It shows you the status of the previous closed bar of the upper timeframe, so it never changes color during the current bar developing. If you care more on confirmed signal and cleanness and do not care the unconfirmed ongoing status, please use Royston's version.

About xecret's four versions:
0.91d and 0.92d are the same version, and 0.91d is better than 0.92d. The thing is 0.91d may have problem in some OS other than WinXP, so if 0.91d is not working, you may take 0.92d instead. The same situation applies to 1.0d and 1.1d.
All xecret's four versions show you the status of the current upper timeframe bar, so the color may be changing during the bar developing. Once the upper timeframe bar closes, you get the color   frozen, and you get a small dot on the lower timeframe bar.
0.91d/0.92d shows you a solid block if there comes a confirmed signal. At other time, you get   hollow blocks.
1.0d/1.1d shows you a solid block when there is a confirmed signal and it keeps showing you solid blocks if the signal remains effective. Hollow blocks in this version stand for unconfirmed signal.
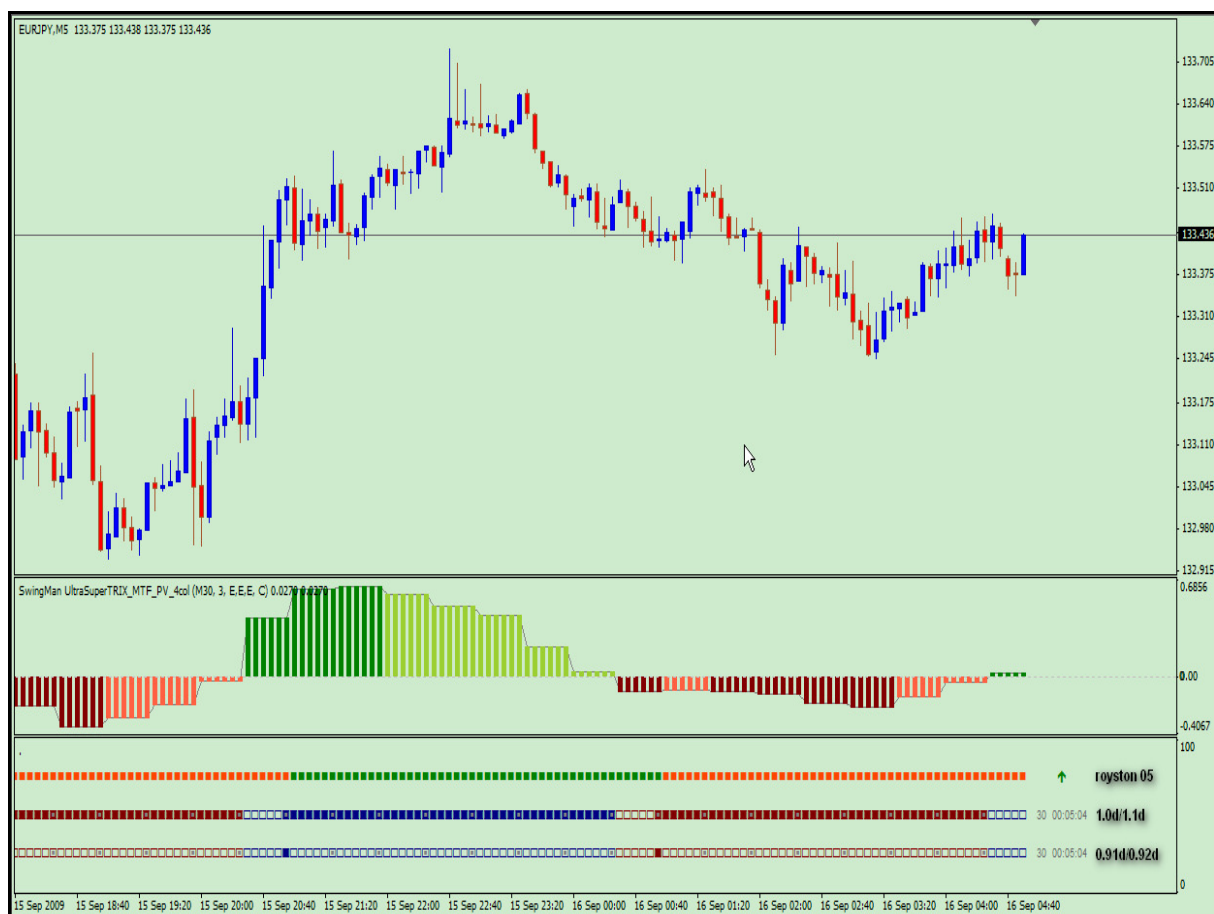Here a picture is attached showing the differences among these versions.

Figure 3. Comparison of the three MTF Trix Meters used in this system.

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Pivot Points:

Pivot points are calculated from yesterday's High, Low and Close prices, so they are related to how you define the starting time of a day. The chart time adopted by most brokers is GMT, GMT+1 or GMT+2. GMT, GMT+1 and GMT+2 do not have too much difference, so we can see most trader's pivots do not differ too much. While, some brokers have GMT-4 and therefore can result in a big difference, so one can get very different pivot points from the majority of others.

In the 24-hour-trading FX market, there are mainly two ways to define the starting time of a trading day:

1. the opening time of the Asian session i.e. Tokyo 9:00 = GMT 00:00;
2. the closing time of the North American session i.e. New York 17:00 = GMT 21:00.

The first way seems to be more widely adopted.

AutoPivot indicator is mostly used by traders, which takes data from daily chart to calculate the pivot points. This way is not very much reasonable since traders are using different chart time.

Here my pivot indicator is attached,(MyPivotIndicators.zip) it takes data from hourly chart and you can define the starting time of a day. I also use the AutoPivot indicator, only for the weekly and monthly pivots.
In the **xPivotMultiday indicator**, you need to input your chart time zone correctly, otherwise you will have wrong results.
And, If you want to use the Asian session open time as the starting time of a day, set DaySeparation-HourGMT=0 (suggested);
If you want to use the North American session close time as the starting time of a day, set DaySeparationHourGMT=21 (22 when the US swaps to EST).
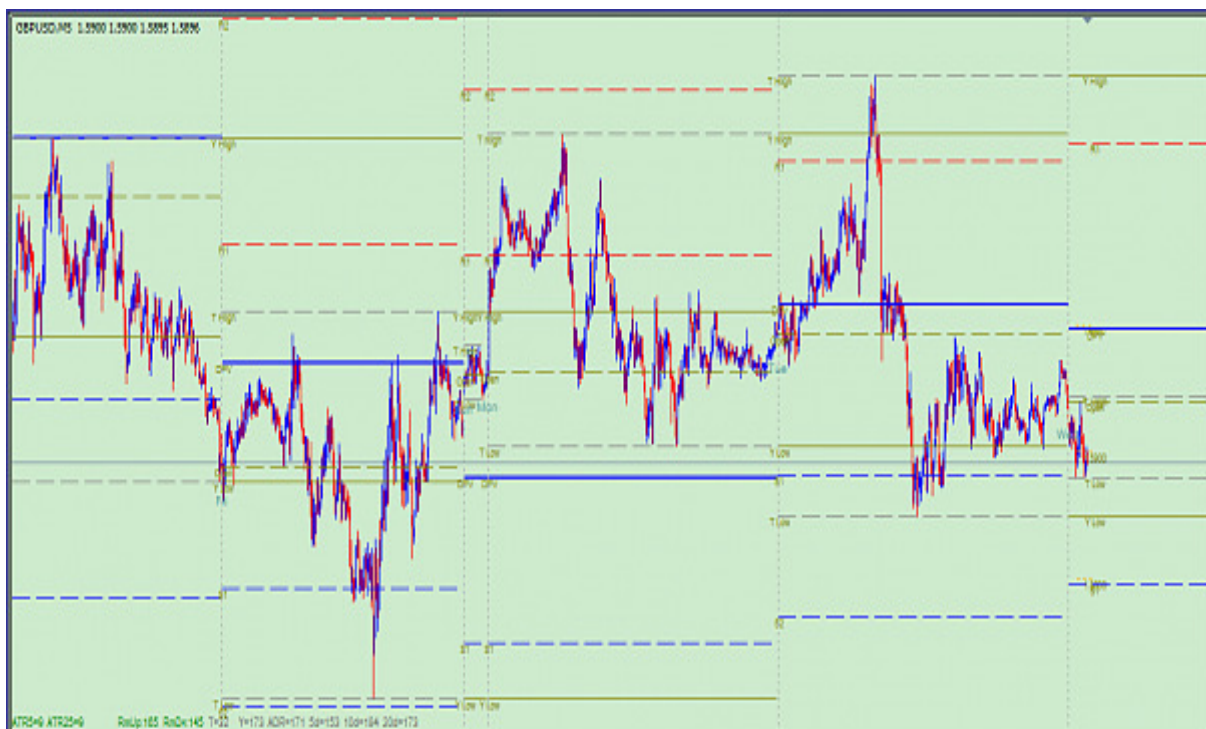

Figure 4 Xecret's xPivotMultidayindicator.

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Optional Indicators:

These are downloadable from the paperclip ✎ icon on the top right side of each page on the thread.
1. MA in Color_wAppliedPrice
2. P4L Clock
3. DXTrade C4 v3.2   (Settings: 3,8,32) (Has 2x MA as filters)
4. Live Charts Fib Pivo
5. #SpudFibo
6. EMA 55,89,200
7. RoundNumbers
8. FFCal   (Gives FF calender on charts)
9. MyPivotIndicators   (xecret, see page 9 of this manual)

Q1. There are more indicators on the paperclip icon on the thread. Are these useful for this strategy?
Certainly some traders will have posted them so other indicators and EA's may prove useful.
Q2. How do I find out how to use the various INPUTS and variables in these mandatory and
optional indicators and EA's?
- **Put them on your charts and play around with the options and see what happens on your charts.**
- **sm before any indicator has been programmed by Swingman.**
- **MTF_TRIX Meter v 1.0d/1.1d   or v 0.91d/0.92d by Xecret**
- **MTF_ Trix Meter roy 0.5 by Royston**
- **MTF Signal Custom by Pipstroll**
  Please PM to ask them if you cannot work it out.

Optional Expert Advisors(EA's):

Please place EA's in experts folder.
Download EA and save in a folder which you can find (hint = desktop). Find C: Program Files>
Metatrader 4 >Experts . Close down MT4 and re-start program. Experts will be in the Expert
Advisor folder on the platform. (See page 19 for tutorial links).

These are downloadable from the paper clip icon on the thread. These are various Money
Management EA's used by various traders on the thread.

1.   SL-TP move-by-mouse   (Manual EA, adjust levels from the chart)
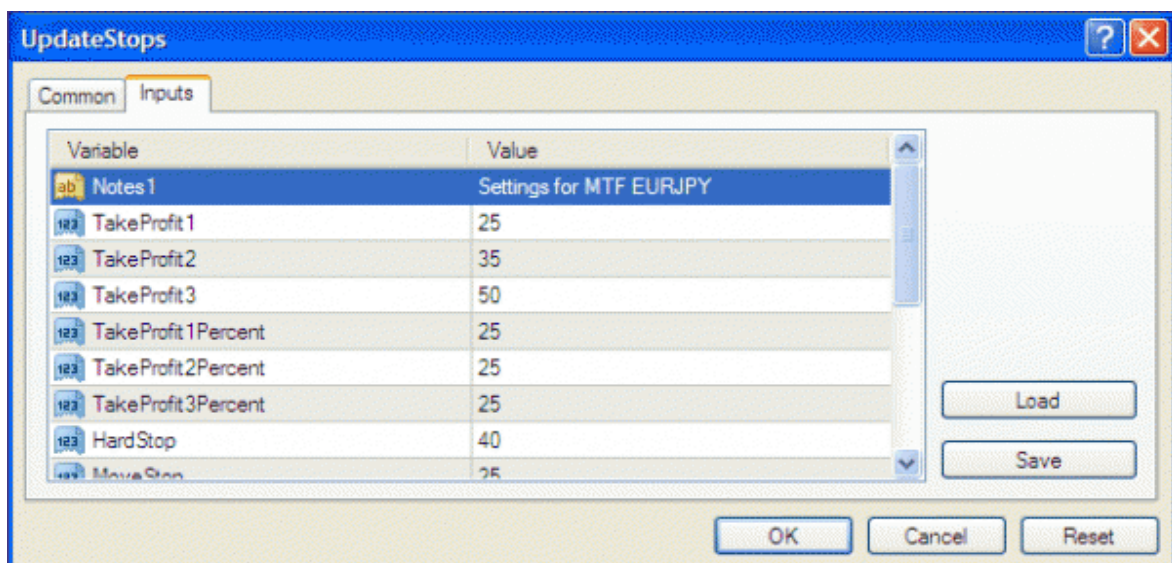2.   UpdateStops(2)   (Automated, once trade is triggered)

Figure 5. Update stops (2) EA

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Exits: Scaling out Strategy

The trades are split into 3-4 parts with the view to scale out of the trade as the trade progresses in the trader's favour.

Unfortunately when you put a trade on, you don`t know how far it will run.

By scaling out, you can at least squeeze a few extra pips out of the trends that run for a length of time.

Setting TP, SL and TS is not an exact science. The market is not predictable and you will never find a one-size-fits-all setup.

In addition, different pairs have different trading ranges and a "unique " character or personality.

Historical data is looked at as a guideline to get a handle on 2 main aspects:
1) What is the average size of potentially successful trades?
2) What is the average drawdown of potentially successful trades?

This gives a starting point to set up the EA to at least manage the trades within parameters that have some connection with PA for the individual pairs.

Bear in mind that you will never be able to be right 100% of the time!!!

All that the trader wants to achieve is to make sure they end up with pips in the bank from a trade that progresses to the TP1 target.

There are various EA`s you can use, in fact you don`t HAVE to use one. You can set a simple TP and SL target and use a TS if you want to.

Suggested settings for 60-15-5 TF only.

Pair	TP1	TP2	TP3	BE	TS
GBPUSD	25	35	50	25	25
GBPJPY	25	35	50	25	25
EURJPY	25	35	50	25	25
AUDJPY	20	30	35	20	20
EURUSD	20	30	35	20	20
AUDUSD	20	30	35	20	20

Table 1. Profit Targets, Breakeven, Trailing Stops
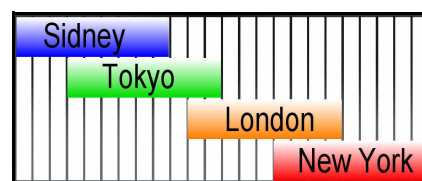
Ideal times to trade:

There are three main sessions in the 24/6 forex market.

1.   Tokyo (*9%)   2. London (*30%)   3. New York (*14%)

     * Volume % most traded

Which session would you trade if given the choice?

Suggested trading times:
05H30 - 10H00 GMT and 12H00-16H00 GMT

http://www.timeanddate.com/worldclock/converter.html

Suggested times to avoid:
•   High impact (red) news times according to the Forex factory economic calendar. 30 minutes before and after these news releases.

•   Public and Bank holidays for those country.

Q1. Can I trade the Asian session?   Yes
Q2. Is there enough volatility?   Yes
Q3. How can I know this? Use the x ADR_0.2 indicator . It has ATR information there. The ranges are big enough to trade eg. GBPJPY.
**Q4. Do I also avoid MEDIUM and LOW impact news releases?   Use your own discretion.**
Q5. Can I trade a particular session even if it is a public holiday/bank holiday in another country?
Yes. Choose a currency pair wisely . See "Most Active Pairs/Sessions traded" as a guide. (See page 13)

Price Action in relation to MTF Trix system:

Mentioned 4 x in manual:

1.   Advantages and reasons for the method for entries used in this strategy. (page 14)

2.   Look at Price action (PA) on this M5. *__If HIGH is higher of previous candle (Long)__, enter pips above high of this signal candle. And vice versa for short signal.
      * This rule helps stack higher probability , lower risk trades in your favour using any version of the MTF Trix Meters; Xecret or Royston. (page 15,16 &17)

3.   *Hint 4:* Check Price Action (PA) of this signal candle in relation to previous candle (LEFT side). *If the Price High of this signal candle is __higher__ than the previous candle, pull the trigger 2 pips above this signal candle High for a LONG trade and vice versa for a SHORT trade. *** This rule helps stack higher probability , lower risk trades in your favour using any version of the __MTF Trix Meters ; Xecret or Royston.__** (page 18)

4.   Checklists …. Point 3/ 4 (pages 24-27)   12
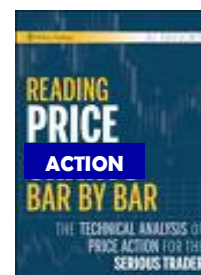
Which currencies to trade?

Trading Session	Most Active (in order)
Tokyo	GBPJPY,GBPCHF,EURJPY, USDJPY,AUDUSD,NZDUSD
London	GBPCHF,GBPJPY,GBPUSD, USDCHF,USDCAD,EURUSD
New York	EURUSD,USDJPY,GBPUSD, EURJPY,EURGBP,USDCHF

AUD 3.00%
NZD 3.00%
EUR 1.25%
GBP 0.50%
CAD 0.50%
CHF 0.25%
USD 0.25%
JPY 0.10%

Table 2. Most Active currencies vs Trading Sessions
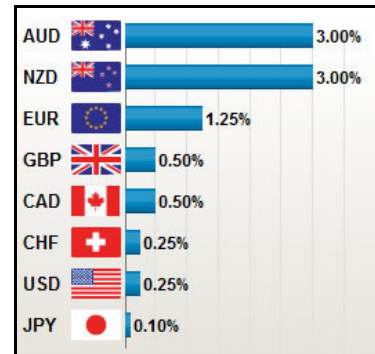
Recommended currencies to trade.

In order of preference: GBPUSD, GBPJPY, EURJPY and/or EURUSD

Q1. Can I trade other currencies? Yes
Q2. What other securities can I trade? Try it on anything, indicies, silver, gold, oil to name a few.

StopLoss (SL) and Profit Targets (PT) and Trailing Stop (TS):

Suggested for the 60-15-5 and 30-5 strategies. (For additional Pairs see Optional Money Management EA)

Currency Pair	SL (pips)	PT 1 (pips)	PT 2 (pips)	PT 3 (pips)	TS (pips)
GBPUSD	40	25	35	50	**25
GBPJPY	*45-50	25	35	50	**25
EURJPY	38	25	35	50	**25
EURUSD	30	20	30	35	**20

Table 3. StopLoss, Profit Targets and Trailing Stops

*Depends on spread of broker
**When PA moves 20-25 pips from entry move to Break Even (BE) +3 pips and then use trailing stop of 20-25 pips.

Suggested for the 240-15-5 strategy.

Currency Pair	SL (pips)	PT 1 (pips)	PT 2 (pips)	PT 3 (pips)	BE (pips)	TS (pips)
GBPJPY	80	75	150	250	75	80

Table 4.. StopLoss, Profit Targets and Trailing Stops

Money Management:
One needs to calculate position size for each trade.
http://www.mataf.net/en/tools/risk-management-position-sizing
Free tutorial: http://www.compassfx.com/video/flash/92209/92209.html

Risk% per trade: conservative = 1-2% of account
            medium = 3% of account
            aggressive = 4-5% of account

Performance Q&A:

Q1. What are your results for the last month with this method?
I mean account growth in %.

This depends on:
A)   What TF you trade?
B)   What currency pair you trade?
C)   How many currency pairs you trade?
D)   Your risk% you trade?
E)   Your exit strategy?
F)   Your session time you trade?
G)   Your entry strategy?
H)   Which version of MTF Trix Meter you use? (both are profitable but not the same entry).
         Best answer: Demo trade for one month with your personal trading plan A-H.
*Quote Gleneagles   " Account growth is relative to risk/trade and pips gained, compounding or not compounding, investment account with no withdrawals or income account with withdrawals etc.
At 2% risk per trade, compounding with no withdrawals, I look at a return of 1K = 23K over a   period of 12 months. It is approximately 30%/month on average."
Your risk profile and personal circumstances will dictate how you should trade, in the end it is a   personal choice."

Q2. Does anybody trade this method live?
Yes.

Q3. What is your average RR ratio?
What you make it. Depends on your exit strategy. *Quote Gleneagles " Average RR ratio
    approximately 1:1."

Q4. Does scaling out helped you really squeeze more pips from a trade?
If you have any stats about it could you provide it?
Sure it does. Many pay handsomely for this information. I suggest you google   with "Exit strategy trading" in the search window.

Start here:
  http://www.investopedia.com/articles/trading/04/092904.asp
*Quote Gleneagles : " Scaling out benefit as opposed to a fixed TP target depends entirely on the TP targets set   per   pair.   It   is   a   personal   choice   whether   you   want   to   use   it.
If all the trades are the same size, a fixed TP target is best...the reality is that we don`t know before the time.
Scaling out works for me, to see a 25-30 pip trade turn against you and ending up at   breakeven or a loss because you gave set your fixed TP target at 35 pips is criminal IMHO."

# Advantages and reasons for the method for entries used in this strategy.

1) By looking for a <u>new high</u> after a long signal, you confirm upward thrust and momentum. The opposite applies to a sell signal.

2) You are often able to use a smaller stop loss because of confirmed momentum.

3) In a lot of instances, you avoid a pullback by entering when the momentum is confirmed.

4) You avoid some false signals.
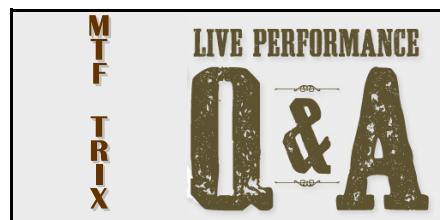
WHAT Timeframes (TF) are these?

There are three timeframes which are traded.

1. **The 30-5 Entry strategy:** This is trading the M30 timeframe when the M5 TRIX are in unison with the M30 timeframe. Entry is on M5 TF.
   Q1. Why is the correct name given 30-5 strategy and not 5-30 strategy.?
   TOP-DOWN APPROACH . The name says it all! Trading M30 TF entry M5 not vice versa.

Figure 6. Chart shows Lrathi's interpretation of the 30-5 MTF Trix system (LONG example)
MTF Trix Meter v 1.0d/ 1.1d on chart.

Step 1 : First look for trend change on M30 on MTF Trix meter. (Page 8). Wait for M30 to close.
Step 2:   Look for first long signal on M5 on MTF Trix meter. This should be to the Right side of M30 on MTF Trix meter. This is also Blue arrow on smC4Scalper Signals_v1 and indicates M5 candle is closed.
Step 3:   Look at Price action (PA) on this M5. *<u>**If HIGH is higher of previous candle**</u>, enter 2 pips above high of this signal candle.
* This rule helps stack higher probability , lower risk trades in your favour using any version of the MTF Trix Meters ;Xecret or Royston.

BEFORE Actually Pulling the trigger…. (Check CHECK LIST)

Check for the following conditions to stack probabilities in your favour.

1. Within recommended session times (trading time zones)
2. Near major Support/Resistance Zones. (fibonacci, trend lines, Pivots, MA, 00 numbers)
3. Major Upcoming News events
4. Divergence on smTrix indicator
5. ATR on M5 . Should be **green** to enter, **red** to stay out using xADR v0.2 indicator.
6. Daily range less than 80% of average. Should be **green** to enter, **red** to stay out using xADR v0.2 indicator.
7. Work out position size according to your risk% profile.(See Money Management page 13)

2. **The 60-15-5 Entry strategy:** This is trading the H1 (M 60) timeframe when the M15 and M5 TRIX are in unison with the M60 timeframe. Entry is on M5 TF.

Q1. Why is the correct name given 60-15-5 strategy and not 5-15-60 strategy.?

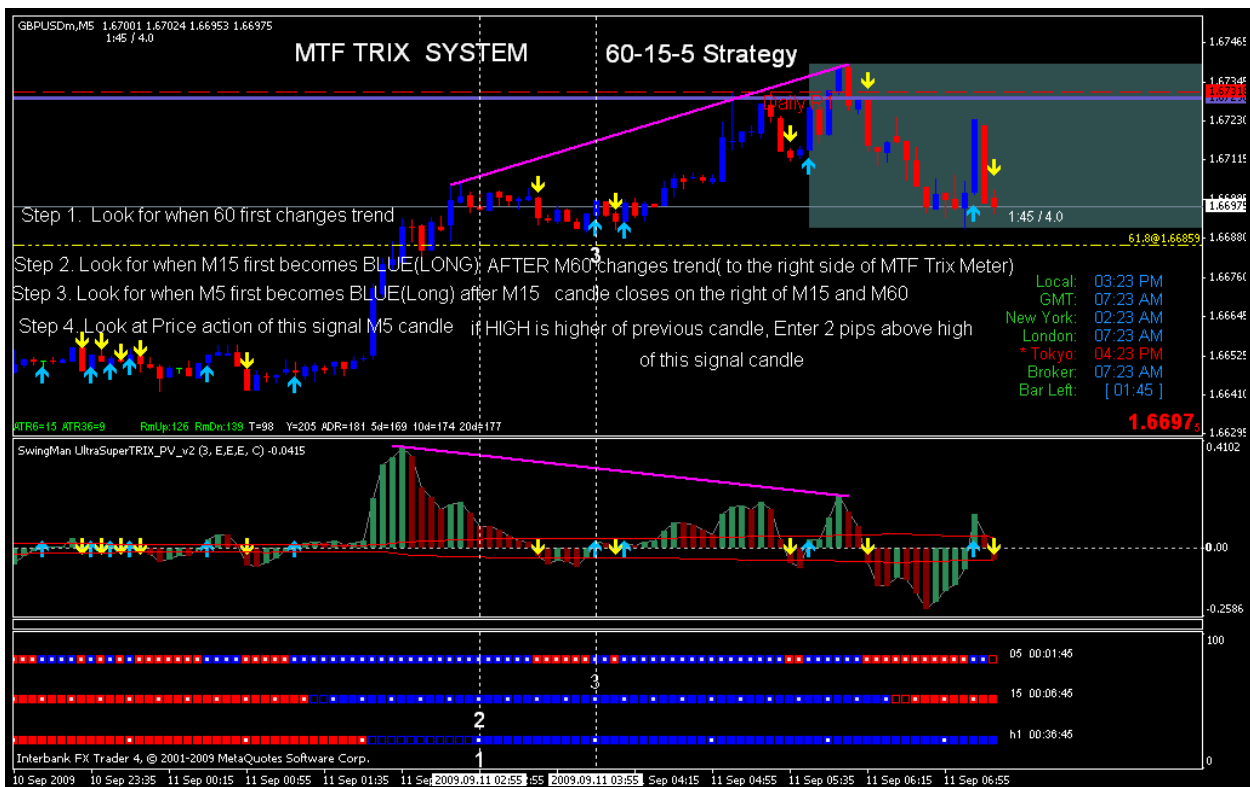TOP-DOWN APPROACH . The name says it all! Trading M60 TF entry M5 not vice versa.

Figure 7. Chart shows Lrathi's interpretation of the 60-15-5 MTF Trix system (LONG example)
MTF Trix Meter v 1.0d/ 1.1d on chart.

Step 1 : First look for trend change on M60 on MTF Trix meter. (Page 8). Wait for M60 to close.
Step 2: Look for when M15 first becomes Blue (Long) AFTER M60 changes trend (to the right side of MTF Trix Meter)
Step 3; Look for when M5 first becomes Blue (Long) after M15 candle closes on the right of M15 and M60 on the right side of MTF Trix meter.. This is also Blue arrow on smC4Scalper Signals_v1 and indicates M5 candle is closed.
Step 4 : Look at Price action (PA) on this M5. *__If HIGH is higher of previous candle__, enter 2 pips above high of this signal candle.
* This rule helps stack higher probability , lower risk trades in your favour using any version of the MTF Trix Meters ;Xecret or Royston.

BEFORE Actually Pulling the trigger…. (Check CHECK LIST)

Check for the following conditions to stack probabilities in your favour.

1. Within recommended session times (trading time zones)
2. Near major Support/Resistance Zones. (fibonacci, trend lines, Pivots, MA, 00 numbers)
3. Major Upcoming News events
4. Divergence on smTrix indicator
5. ATR on M5 . Should be **green** to enter, **red** to stay out using xADR v0.2 indicator.
6. Daily range less than 80% of average. . Should be **green** to enter, **red** to stay out using xADR v0.2 indicator.
7. Work out position size according to your risk% profile.(See Money Management page 13)   16

3. **The 240-15-5 Entry strategy:** This is trading the H4 (M240) timeframe when the M15 and M5 TRIX are in unison with the M240 timeframe. Entry is on M5 TF.

Q1. Why is the correct name given 240-15-5 strategy and not 5-15-240 strategy.?
TOP-DOWN APPROACH . The name says it all! Trading M240 TF entry M5 not vice versa.

Figure 8. Chart shows Lrathi's interpretation of the 240-15-5 MTF Trix system (SHORT example)
MTF Trix Meter v 0.91d /0.92d on chart.

Step 1 : First look for trend change on H4 on MTF Trix meter. (Page 8). Wait for H4 to close.
Step 2: Look for when M15 first becomes Red (Short) AFTER H4 changes trend (to the right side of MTF Trix Meter)
Step 3; Look for when M5 first becomes Red (Short) after M15 candle closes on the right of M15 and H4 on the right side of MTF Trix meter.. This is also Yellow arrow on smC4Scalper Signals_v1 and indicates M5 candle is closed.
Step 4 : Look at Price action (PA) on this M5. If LOW is Lower of previous candle. Enter 2 pips below low of this signal candle.*** This rule helps stack higher probability , lower risk trades in your favour using any version of the MTF Trix Meters ;Xecret or Royston.**

BEFORE Actually Pulling the trigger…. (Check CHECK LIST)
Check for the following conditions to stack probabilities in your favour.
1.   Within recommended session times (trading time zones)
2.   Near major Support/Resistance Zones. (fibonacci, trend lines, Pivots, MA, 00 numbers)
3.   Major Upcoming News events
4.   Divergence on smTrix indicator
5.   ATR on M5 . Should be **green** to enter, **red** to stay out using xADR v0.2 indicator.
6.   Daily range less than 80% of average. . Should be **green** to enter, **red** to stay out using xADR v0.2 indicator.
7.   Work out position size according to your risk% profile.(See Money Management page 13)

THIS M240 STRATEGY IS PRESENTLY NOT USED MUCH OR DISCUSSED ON THE THREAD.
Q1. Is this intentional?: Yes
Q2. Why? :The intention to get traders perfecting the 60-15-5 and 30-5 strategies first and under their belt.
Q3. Will this be discussed later? Yes
Q4. Why was this mentioned in the manual?: Because it is easier to add it in here for those advanced traders on the thread who do not need much help.

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Additional useful information to stack odds in favour of the trader:

Hint 1: **The sequence is important.**
For the 30-5 strategy: M30 candle has to close first , followed by the M5 candle.
This M5 square will be always to the RIGHT side or vertically above of
this M30 square on the MTF_TRIX meter.
For the 60-15-5 strategy: M60 candle has to close first , followed by the M15 candle close. Finally wait for M5 candle close to follow this M15 candle. This M15 square will be always to the RIGHT side or vertical above of this M60 square on the MTF_TRIX meter. The M5 square will be always to the RIGHT side or vertical above of this M15 square on the MTF_TRIX meter.
For the 240-15-5 strategy: M240 candle has to close first , followed by the M15 candle close. Finally wait for M5 candle close to follow this M15 candle. This M15 square will be   always to the RIGHT side or vertical above of this M60 square on the MTF_TRIX meter. The M5 square will be   always to the RIGHT side or vertical above of this M15 square on the MTF_TRIX meter.

Hint 2:   The **first time** the trend changes is the better timing to trade when   M5 confirm. ie. start of new trend change. Re-enter 2-3 only after first trend change is recommended. *Why?* Stacks highest   probability, lowest risk trades are the entries close to, or at the trend change. This is while the trend is strongest.

Hint 3: ALWAYS pull the trigger on the **CLOSE** of the candle.

Hint 4: Check Price Action (PA) of this signal candle in relation to previous candle (LEFT side). *If the Price High of this signal candle is **higher** than the previous candle, pull the trigger 2 pips above this signal candle High for a LONG trade and vice versa for a SHORT trade. * **This rule helps stack higher probability , lower risk trades in your favour using any version of the MTF Trix Meters ; Xecret or Royston.**

*Hint 5:* Always check CHECKLIST before pulling the trigger.

Hint 6: The 30-5 strategy is also known as **TWO(2)BLOCK** strategy. The 60-15-5 strategy and the 240-15-5 strategy are also known as **THREE (3)BLOCK** strategy. The version of MTF TRIX meter (roy 05) used has a different working principle.

Chart patterns:
http://stockcharts.com/school/doku.php?id=chart_school:chart_analysis:chart_patterns
Look for **chart patterns** and know which are reversal and continuation patterns.
1.   Heads and shoulders
2.   Triangles (ascending, descending, symmetrical)
3.   Flags
4.   Wedges
5.   Double bottoms
6.   Double bottoms
7.   Price channels
8.   Gartleys
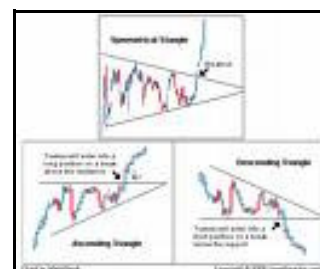
CandleStick patterns:
Look at candlestick reversal and continuation patterns especially at major support and resistance levels.
http://stockcharts.com/school/doku.php?id=chart_school:chart_analysis:introduction_to_candlesticks

Fibonacci Studies:
http://www.babypips.com/school/fibonacci_who.html (Beginners)
Fibonacci clusters: For Intermediate-Advanced traders: Google Joe DiNapoli/Neal Hughes.
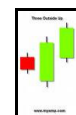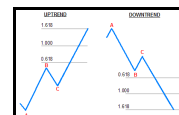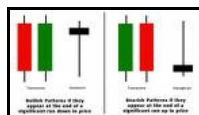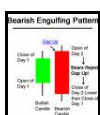
Additional useful information:

1. How to use the MT4 platform?

There are several video tutorials to help in the use of MT4 platform:

http://www.livevideo.com/media/tag/mt4-platform-tutorials.aspx

http://www.traderslog.com/metatrader-tutorial.htm

http://www.ibfx.com/video/watch.aspx?vid=29

http://www.traderschoicefx.com/metatrader-tutorial/

2. How to Set Up Your Existing Metatrader Platform on your VPS?

http://www.youtube.com/watch?v=GQf85zKNLDA

3. How to accomplish showing the entire contents of the Indicator Window external inputs in one long list?

You can do that with this screenshot capture tool (see link below)

It allows you to make screenshots from large windows. The tool can scroll down inside a selected window by itself …

http://www.forexfactory.com/showpost.php?p=3032335&postcount=13010

Examples explained here: http://www.forexfactory.com/showpost.php?p=3073586&postcount=2633

4. How does one get the trade arrows on their charts?

After the trade is closed > go to Account history > drag the appropriate trade onto the appropriate chart. This will show the entry and exit arrows of the trade.

5. Do you have a good resource for information for beginners?

I found this link 150% satisfactory in terms of Excellency

http://www.forexfactory.com/showthread.php?t=6948&highlight=correlation

The 30-5 Entry strategy explained in another way known as
2 BLOCKS of the SAME COLOR.

Indicator: MTF Trix Meter 0.5 roy is used . The working principle is colour change occurs on the CLOSE of candle not when TRIX crosses zero line.
There is a template provided called Glen MTF 60-15-5.tpl.

PART 1:

The first chart is from the Two Magic Block trading system.

In order to trade this system, you have to find TWO blocks of the same color.

I have marked the places on the chart where I saw TWO blocks of the same color.
The blue lines are all the places I saw TWO blocks of the same color.

NB BLUE BLOCKS are long.

There is one thing left for you to do.

Look at the places where I drew the Blue lines i.e. where two blocks line up.
Now look at the candle to the left of the blue line.

If you see a new high compared to the candle on the left of the blue line...trade LONG.

Figure 9. Two Magic Block System (LONG) aka 30-5 entry strategy using
MTF Trix Meter 0.5 roy

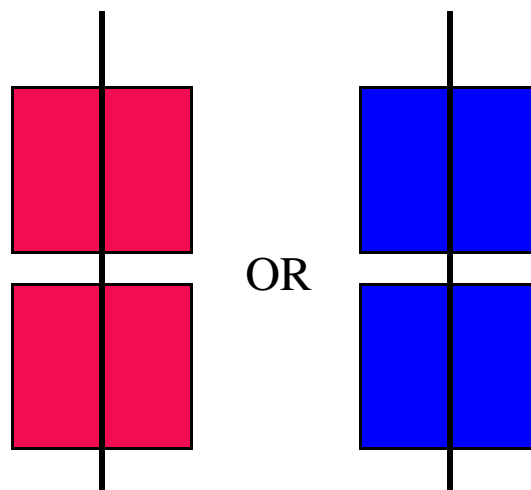**This is Part 2 of the Magic Block Trading system.**

It works for SHORT TRADES as well.

RED LINES are potential short trades.

Remember to look to the candle on the left and find a new LOW and trade SHORT

Figure 10. Two Magic Block System (Short) aka 30-5 entry strategy using MTF Trix Meter 0.5 roy

OR

The 60-15-5 Entry strategy explained in another way known as
3 BLOCKS of the SAME COLOR.

The easiest way to trade this VERY SIMPLE system is to use the indicator written by Royston. The blocks show confirmed signals so there is no guesswork , no searching..nothing..zip.

On a 5M chart

You simply load 3 indicators into the same subwindow with TF settings 5 15 60.
If you see 3 BLOCKS of the SAME COLOR, lined up, you have a CONFIRMED signal.

Please do not make it any more complicated than this.

This is the steps you follow:

1) Find THREE BLOCKS of the SAME COLOR.
2) The THREE BLOCKS must line up vertically.
3) Draw a Vertical line on the chart where the blocks line up.
4) Look at the candle on the left of the vertical line.
5) Draw a horizontal line through the high/low of the candle.
6) Your entry point is 2 pips above the high for a long trade.
7) Your entry point is 2 pips below the low for a short trade.

Figure 9 is a chart with a potential LONG TRADE.

1) Vertical Blue line marks the CONFIRMED buy signal on 60 15 5 Timeframes.

2) The bear candle on the left of the blue line is marked with a line drawn across the high.

3) The green line and RED arrow marks the candle where the high +2 pips entry was triggered.

4) If you have a retracement followed by a sell signal and another buy signal.

5) Repeat steps 1-3.

6) You will notice a second blue line on the chart where the next buy signal triggered.

7) I followed the same procedure to find the entry point, in this case it is at the same level because the candles made the same high.
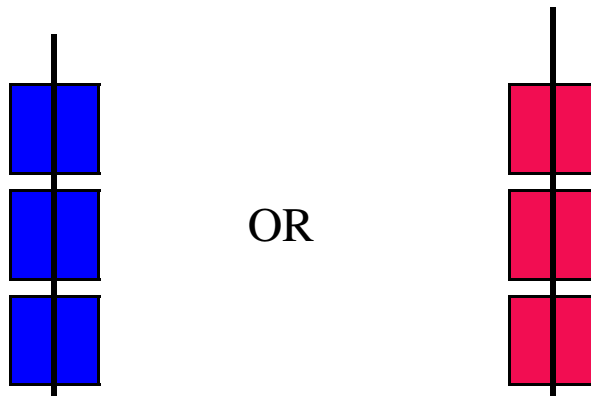
OR

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Figure 11. The 60-15-5 entry strategy explained in another way known as
3 BLOCKS of the SAME COLOR.

Q1. Which of the two versions of MTF Trix Meters is more profitable? Xecret or Royston?
This has not been done as yet. You will be in profit using either one.

Q2. Which version should I use?
Whichever one you are comfortable with in trading. Gleneagle's opinion is that the block method
and MTF Trix Meter (Royston) version used is <u>easier for beginners</u>.

Q3. Why is the correct name given 30-5 strategy and not 5-30 strategy.?
 TOP-DOWN APPROACH . The name says it all! Trading M30 TF entry M5 not vice versa.

Q4. Why is the correct name given 60-15-5 strategy and not 5-15-60 strategy.?
TOP-DOWN APPROACH . The name says it all! Trading M60 TF entry M5 not vice versa. 23

CHECKLIST 60-15-5 strategy (BLUE-LONG Trade)
Top-Down Approach to Trading

TRADING CONDITION	YES	NO
Has the MTF Meter shown the first close blue square on the H1 TF ?		
Has the MTF Meter shown the first close blue square on the M15 TF and on the **right** or vertically above on H1 square?		
Has the MTF Meter shown the first close blue square on the M15 TF and on the **right** or vertically above on H1 square??		
New HIGH on M5 candle compared to previous candle?		
ATR rising on xADR 0.2 indicator Green?		
Is the trade within the trading time zone?		
Daily range less than 80% of average daily range on indicator as Green?		
MAJOR UPCOMING NEWS EVENTS		
Pivot level within 10 pips from price level?		
Is Price within 10 pips from 00 level?		
Is Price within 10 pips from major Resistance or Support?		
Is the Bearish Divergence on Trix Histogram indicator?		

POSITIVE   NEGATIVE

COUNT

CHECKLIST 60-15-5 strategy (RED-SHORT TRADE)
Top-Down Approach to Trading

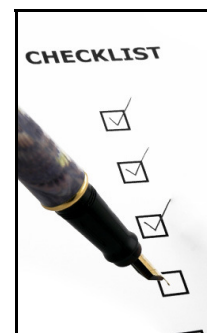| TRADING CONDITION	YES	NO
Has the MTF Meter shown the first close red square on the H1 TF ?		
Has the MTF Meter shown the first close red square on the M5 TF and on the **right** or vertically above on H1 square?		
Has the MTF Meter shown the first close red square on the M15 TF and on the **right** or vertically above on H1 square??		
New LOW on M5 candle compared to previous candle?		
ATR rising on xADR 0.2 indicator Green?		
Is the trade within the trading time zone?		
Daily range less than 80% of average daily range on indicator as Green?		
MAJOR UPCOMING NEWS EVENTS		
Pivot level within 10 pips from price level?		
Is Price within 10 pips from 00 level?		
Is Price within 10 pips from major Resistance or Support?		
Is the Bullish Divergence on Trix Histogram indicator?		

POSITIVE   NEGATIVE

COUNT

CHECKLIST

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CHECKLIST 30-5 strategy (BLUE-LONG Trade)
Top-Down Approach to Trading

TRADING CONDITION	YES	NO
Has the MTF Meter shown the first close blue square on the M30 TF ?		
Has the MTF Meter shown the first close blue square on the M5 TF and on the **right** or vertically above on M30 square?		
New HIGH on M5 candle compared to previous candle?		
ATR rising on xADR 0.2 indicator Green?		
Is the trade within the trading time zone?		
Daily range less than 80% of average daily range on indicator as Green?		
MAJOR UPCOMING NEWS EVENTS		
Pivot level within 10 pips from price level?		
Is Price within 10 pips from 00 level?		
Is Price within 10 pips from major Resistance or Support?		
Is the Bearish Divergence on Trix Histogram indicator?		

POSITIVE   NEGATIVE

COUNT				

TRADING CONDITION	YES	NO
Has the MTF Meter shown the first close red square on the M30 TF ?		
Has the MTF Meter shown the first close red square on the M5 TF and on the **right** or vertically above on M30 square?		
New LOW on M5 candle compared to previous candle?		
ATR rising on xADR 0.2 indicator Green?		
Is the trade within the trading time zone?		
Daily range less than 80% of average daily range on indicator as Green?		
MAJOR UPCOMING NEWS EVENTS		
Pivot level within 10 pips from price level?		
Is Price within 10 pips from 00 level?		
Is Price within 10 pips from major Resistance or Support?		
Is the Bullish Divergence on Trix Histogram indicator?		

POSITIVE   **NEGATIVE**

COUNT

WISHLIST

Please send your requests for consideration by PM to Lrathi on Forex Factory.

Will consider these ideas for the next manual update.