

# VENOM

# USER MANUAL

Developed by

**THIRD WAVE FX**

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## INDICATOR INSTALLATION

- **Step 1**

Copy & paste 'Third Wave FX Venom A.ex4' & 'Third Wave FX Venom B.ex4' indicator files into your MetaTrader indicators folder. By default, it is located at **C:\Program Files\MetaTrader 4\experts\indicators.**

(Note: Third Wave FX Venom indicator is only compatible with MetaTrader 4 trading platform).

- **Step 2**

Close your MetaTrader application, assuming it is currently running. Ignore this step if the application hasn't been launched.

- **Step 3**

Launch your MetaTrader application.

▪ **Step 4**

Open any currency pair and select M1 timeframe. Let the M1 timeframe chart load completely. This step is only required during **first time installation** process. Please refer to Figure 1.

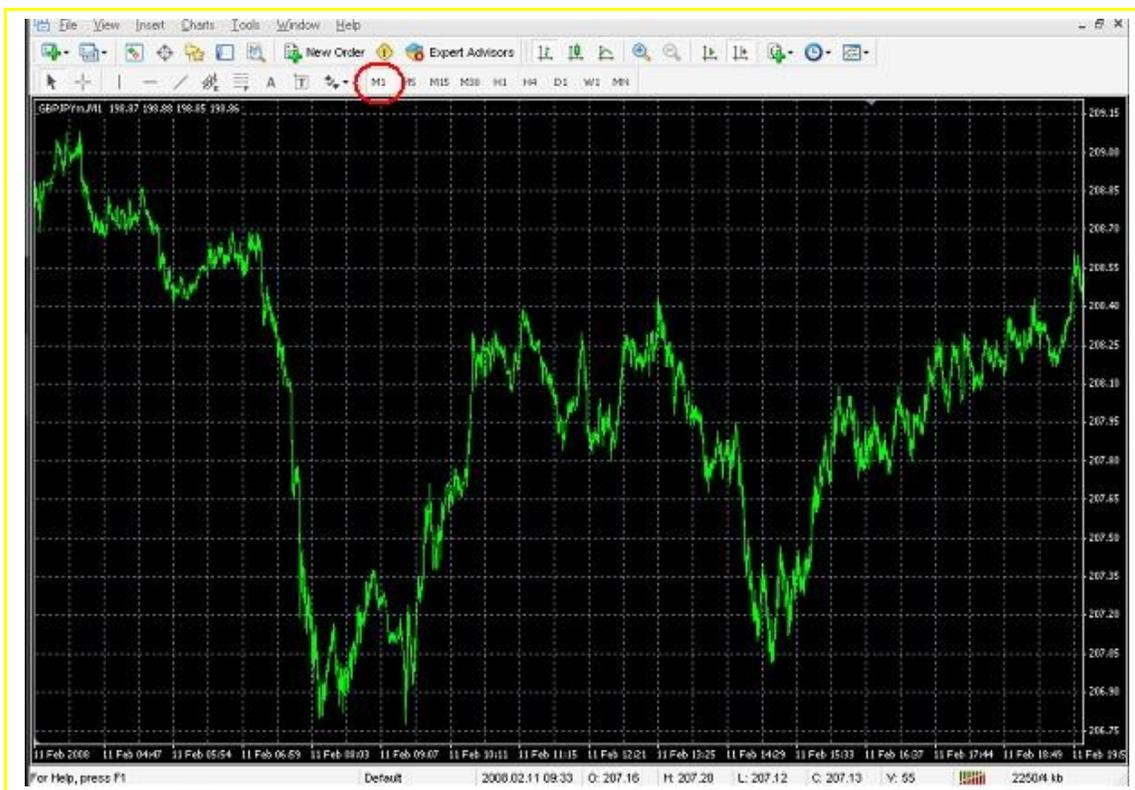


Figure 1

▪ **Step 5**

Open 'Navigator' window and double click 'Custom Indicators'. Please refer to Figure 2.

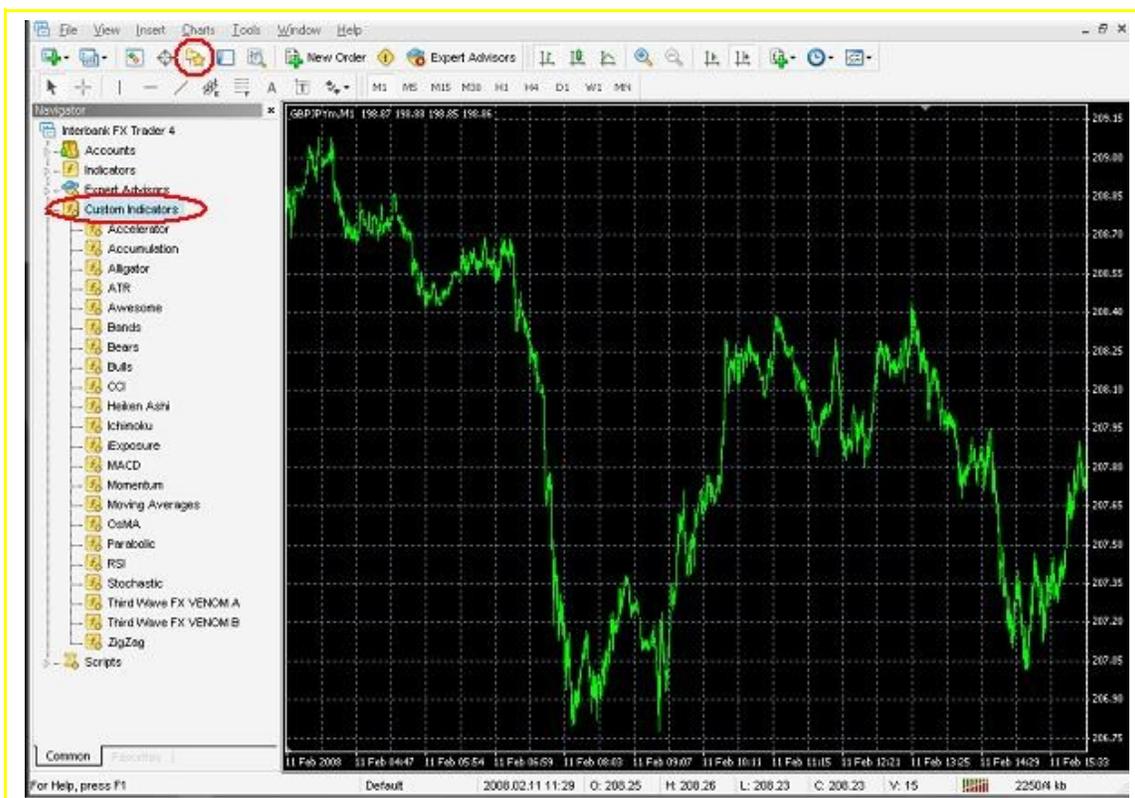


Figure 2

▪ **Step 6**

Drag 'Third Wave FX Venom A' indicator onto the chart and click OK. Next, drag 'Third Wave FX Venom B' indicator onto the chart and click OK. Please refer to Figure 3.

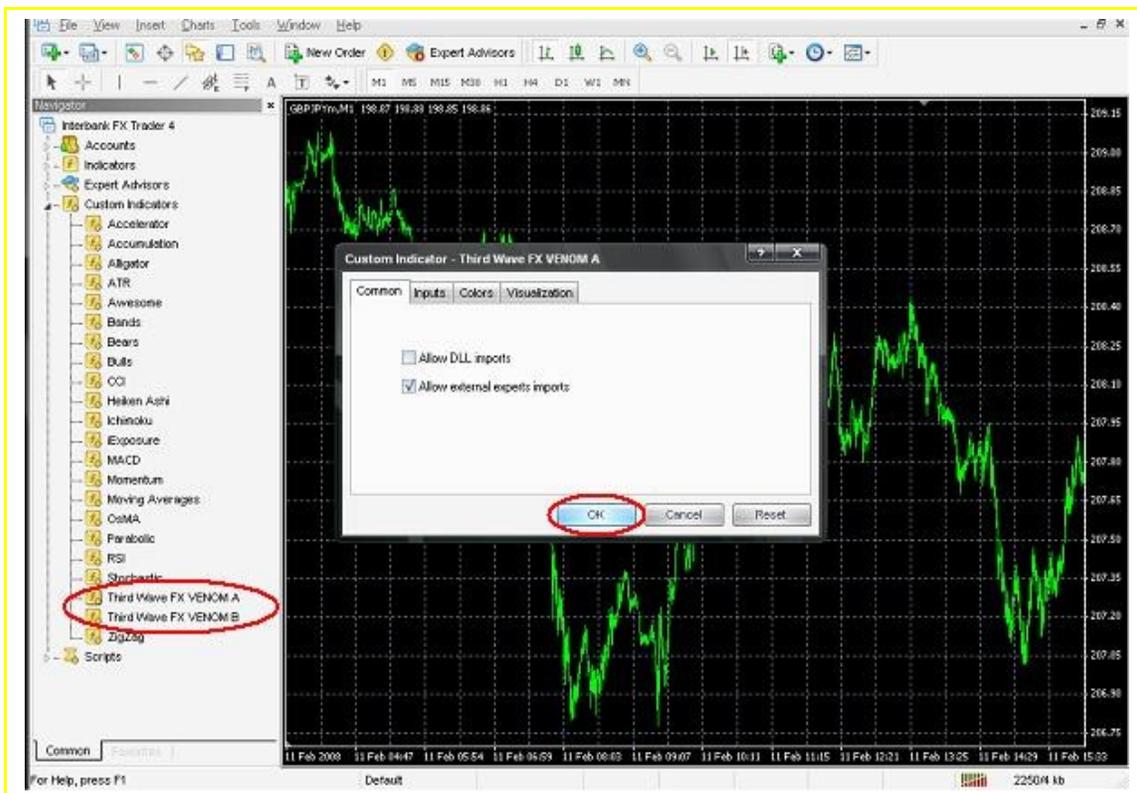


Figure 3

▪ **Step 7**

Change the colour scheme of your chart to match with the Venom Indicator System. To do this, simply right click on the chart and select 'Properties'. Under the 'Colors' section, replace the default colours as instructed below:

- i) Background → Black
- ii) Bar Down → Red
- iii) Bull Candle → Lime
- iv) Bear Candle → Red

Click OK to proceed. Please refer Figure 4.

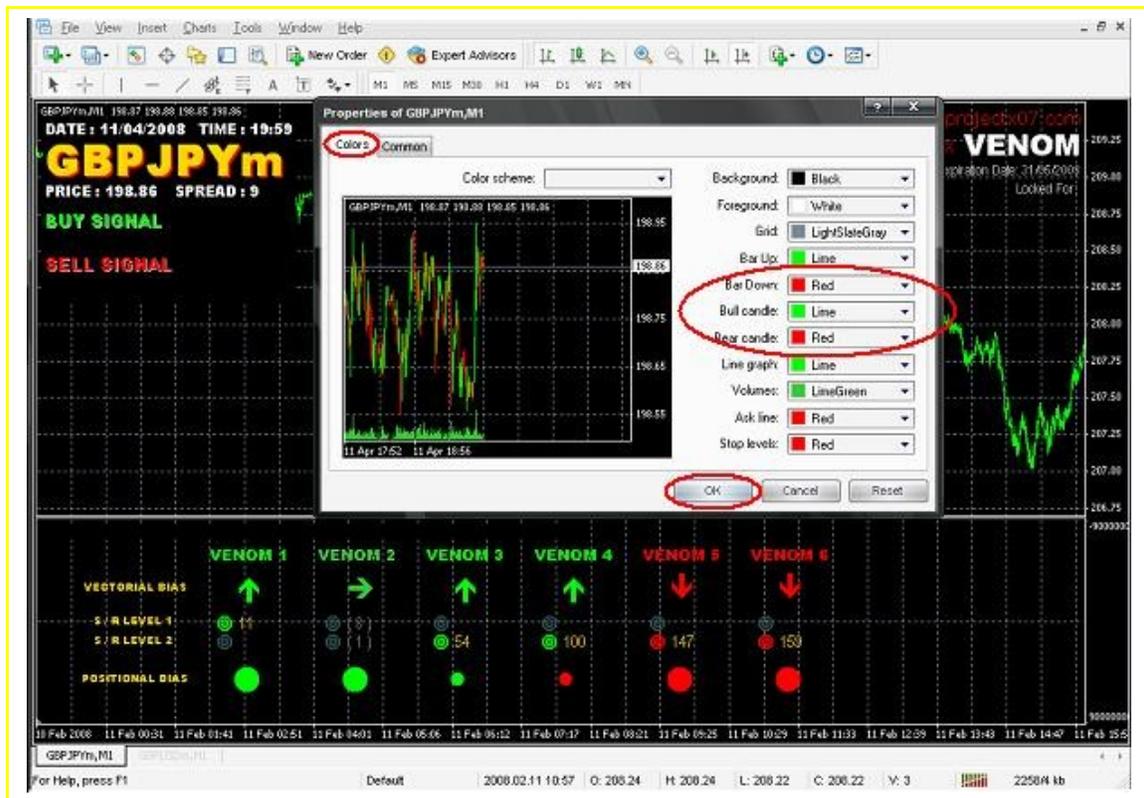


Figure 4

▪ **Step 8**

Installation completed. You can now change back to your preferred timeframe. Your chart will look exactly as shown on Figure 5 below. Please repeat all the steps given for other currency pairs.



Figure 5

# HOW TO USE



Figure 6: Project X Venom Trading System

## Overview

- Trading opportunities presented by the system are based on the alignment of Vectorial Bias, S/R Level 1 and S/R Level 2.
- Trading hours is from 5.00 GMT to 16.00 GMT. Please ensure that the system is running before 5.00 GMT so that no signals are missed and to prevent late entries. Remember, the first Buy or Sell signal (first alignment of Vectorial Bias, S/R Level 1 and S/R Level 2) beginning 5.00 GMT present high probability trades.**
- For the first Buy or Sell signal (first alignment of Vectorial Bias, S/R Level 1 and S/R Level 2), Venom Signal will display the price and time on the chart and Venom Alert will popup. **The first alignment of the day always provides profitable trades.**

- For the second alignment onwards, Venom Alert will continue to popup but Venom Signal does not change its display.
- **Trading the second alignment onwards is only recommended for experienced traders, for traders who have a feel for the system (know how to use the Venom Dashboard effectively) or for traders who are using Venom Trading System as reference to other techniques.**
- Minimum take profit is 30 pips. Stop loss is 40 pips. Set trailing stop at 15 pips. To take profit at higher levels, please refer to the section describing 'Positional Bias'.
- **Do not risk more than 5% of equity per trade.**
- Venom Trading System is suitable for all currency pairs but we recommend the following pairs:
  - GBPUSD
  - EURUSD
  - USDCHF
  - AUDUSD
  - USDJPY
  - EURJPY
  - AUDJPY
  - GBPJPY
  - GBPCHF
  - EURGBP
  - EURCHF

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▪ **Venom Signal & Venom Alert**



Figure 7: Venom Signal & Venom Alert

Venom Signal displays the first Buy or Sell signal between 5.00 GMT – 16.00 GMT. The time displayed is the broker time. Venom Alert will popup whenever Vectorial Bias, S/R Level 1 and S/R Level 2 are aligned. The time displayed is your local computer time.

▪ **Venom Dashboard**



Figure 8: Venom Dashboard



Figure 9: Strong Trend Up



Figure 10: Strong Trend Down



Figure 11: Ranging / Sideways

**i) Vectorial Bias**

Shows the market direction. When the Vectorial Bias of all six Venoms are aligned, the probability that the market moves in the particular direction is high (Figure 9 & 10). When the directions are mixed, the market is normally indecisive (Figure 11).



Market is heading up



Market is likely to head up



Market is sideways / ranging with upwards tendency



Market is heading down



Market is likely to head down



Market is sideways / ranging with downwards tendency

**ii) S/R Level 1 & S/R Level 2**

Shows the support and resistance (S/R) levels of the market. Each Venom has its unique S/R levels. The colour reflects the direction of Vectorial Bias. High probability buy / long trades exist when price is above its support level and significantly far from a resistance level. High probability

sell / short trades exist when price is below its resistance level and significantly far from a support level.



Price is 16 pips above support, which was previously a resistance level.



Price is 10 pips above support, which was previously a resistance level.



Price is 82 pips below resistance, which was previously a support level.



Price is 17 pips below resistance, which was previously a support level.



Price is trapped in a range, 7 pips below resistance and 2 pips above support.

### iii) Positional Bias

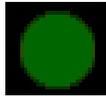
Positional Bias shows the bias of the market based on the price position / location. It is monitored to decide whether to hold or to exit a trade when in profit.



Price is located in a strong bullish zone



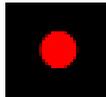
Price is located in a bullish zone



Price is at an extreme point and is prone to retrace downwards.



Price is located in a strong bearish zone



Price is located in a bearish zone



Price is at an extreme point and is prone to retrace upwards.

When the Positional Bias of all Venoms show that price is in a strong bullish zone (Figure 9), price is expected to head higher. When the Positional Bias of all Venoms show that price is in a strong bearish zone (Figure 10), price is expected to drop lower.

### ▪ **Venom Zone**

Shows the market trend. Also act as strong support or resistance levels.



Major Trend Zone

When price is above the zone, major trend is up. When price is below the zone, major trend is down. This zone is a very strong support / resistance level.



Medium Trend Zone

When price is above the zone, medium trend is up. When price is below the zone, medium trend is down.



Mini Trend Zone

When price is above the zone, mini trend is up. When price is below the zone, mini trend is down.



Mini trend: Down

Medium Trend: Range bound

Major Trend: Up



Mini trend: Up

Medium Trend: Up

Major Trend: Up



Range play between Mini Trend Zone and Medium Trend Zone



Rejection from the bottom of the Medium Trend Zone