

A Quick Look at CW Signals

Starting Jan 1, 2007

Daily Trading Signals

This is by no means a scientific study, only a quick look at the formation of the signals.

I clicked through the chart with the step by step feature of MT4 and took each bar on it's own merits.

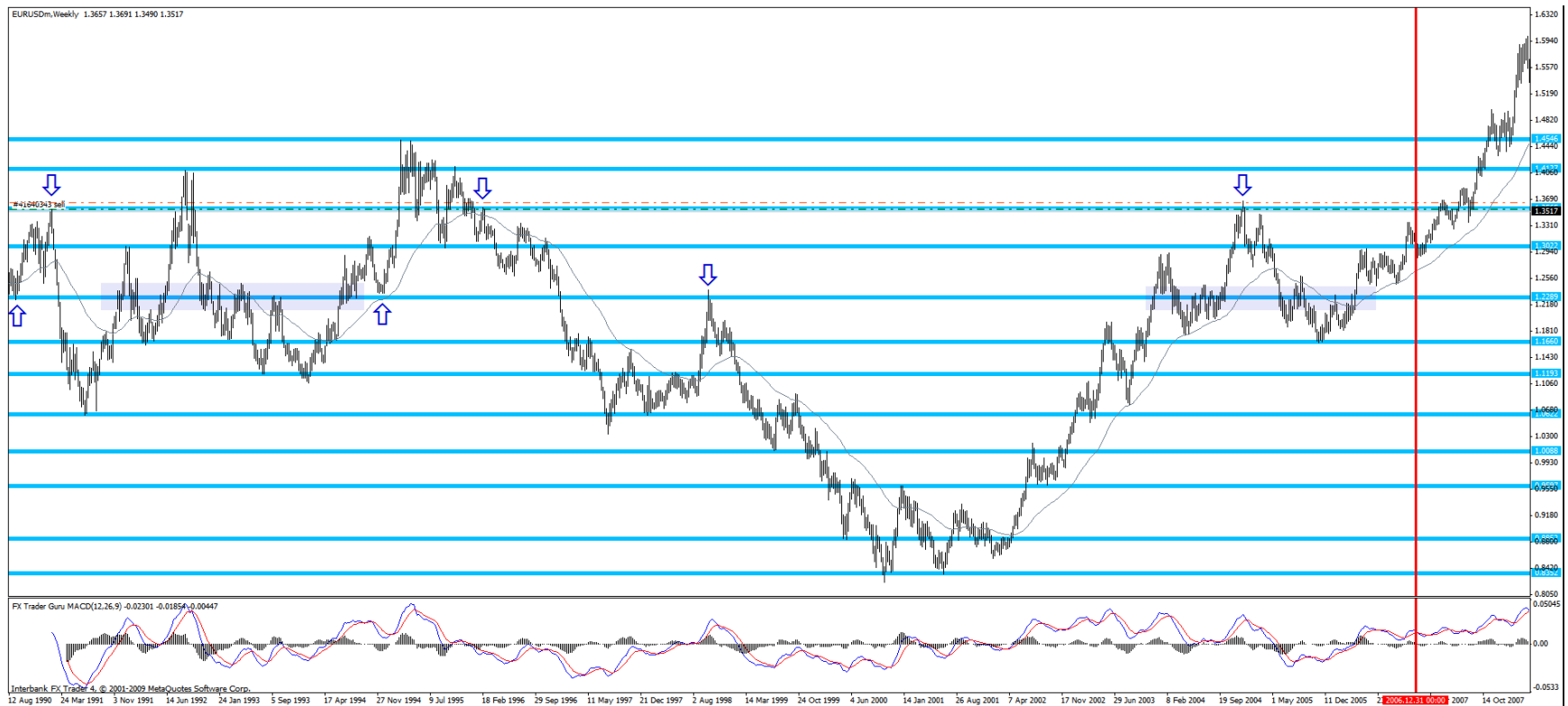
I tried to be as objective as possible. I was looking at S/R, price action and trend.

ENJOY

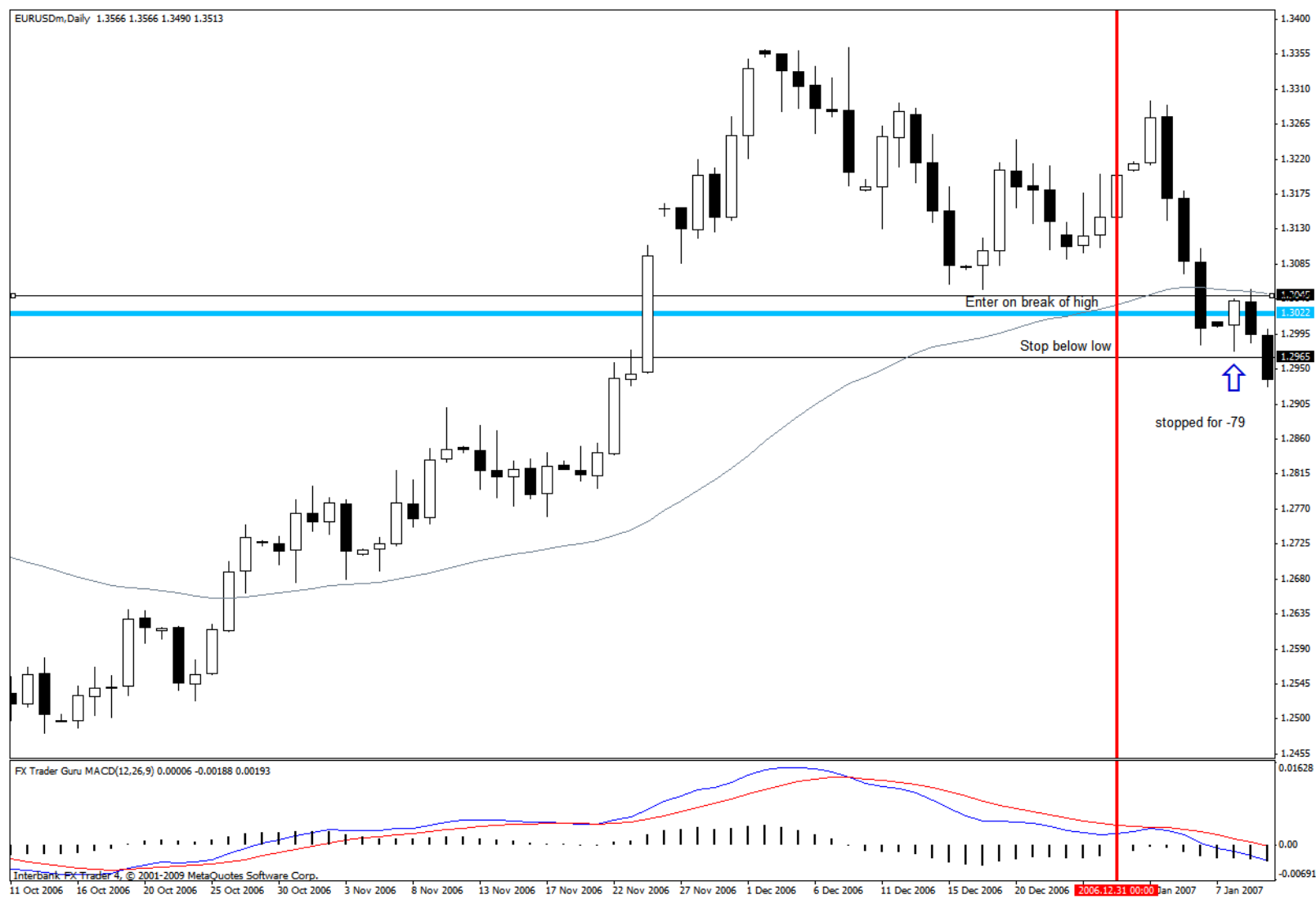
I started by drawing a vertical line on the weekly chart at Jan. 1, 2007.

I used price levels before this line to draw S/R lines.

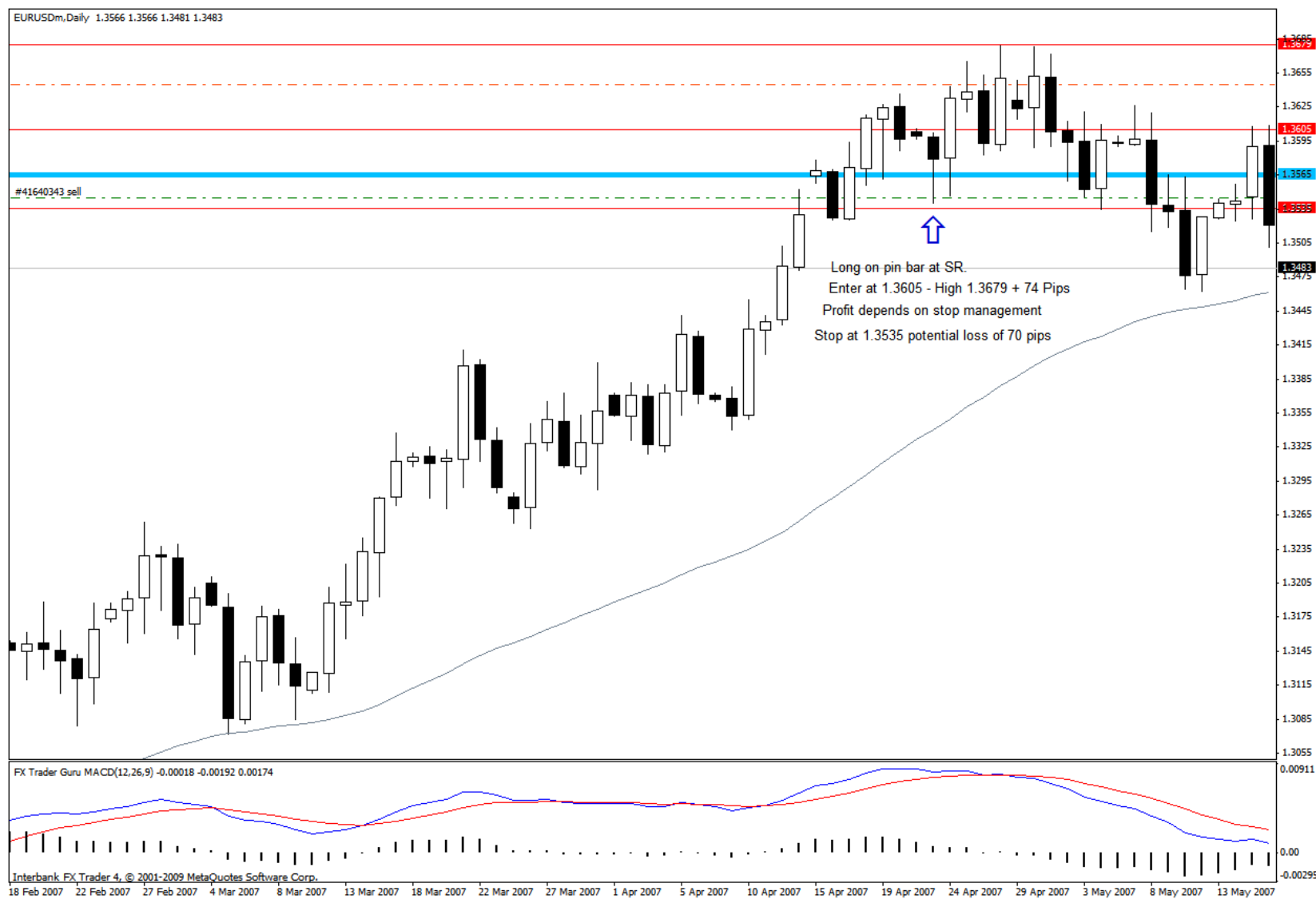
I tried to find levels with significance, as you can see by the arrows marking tests of some of the lines.



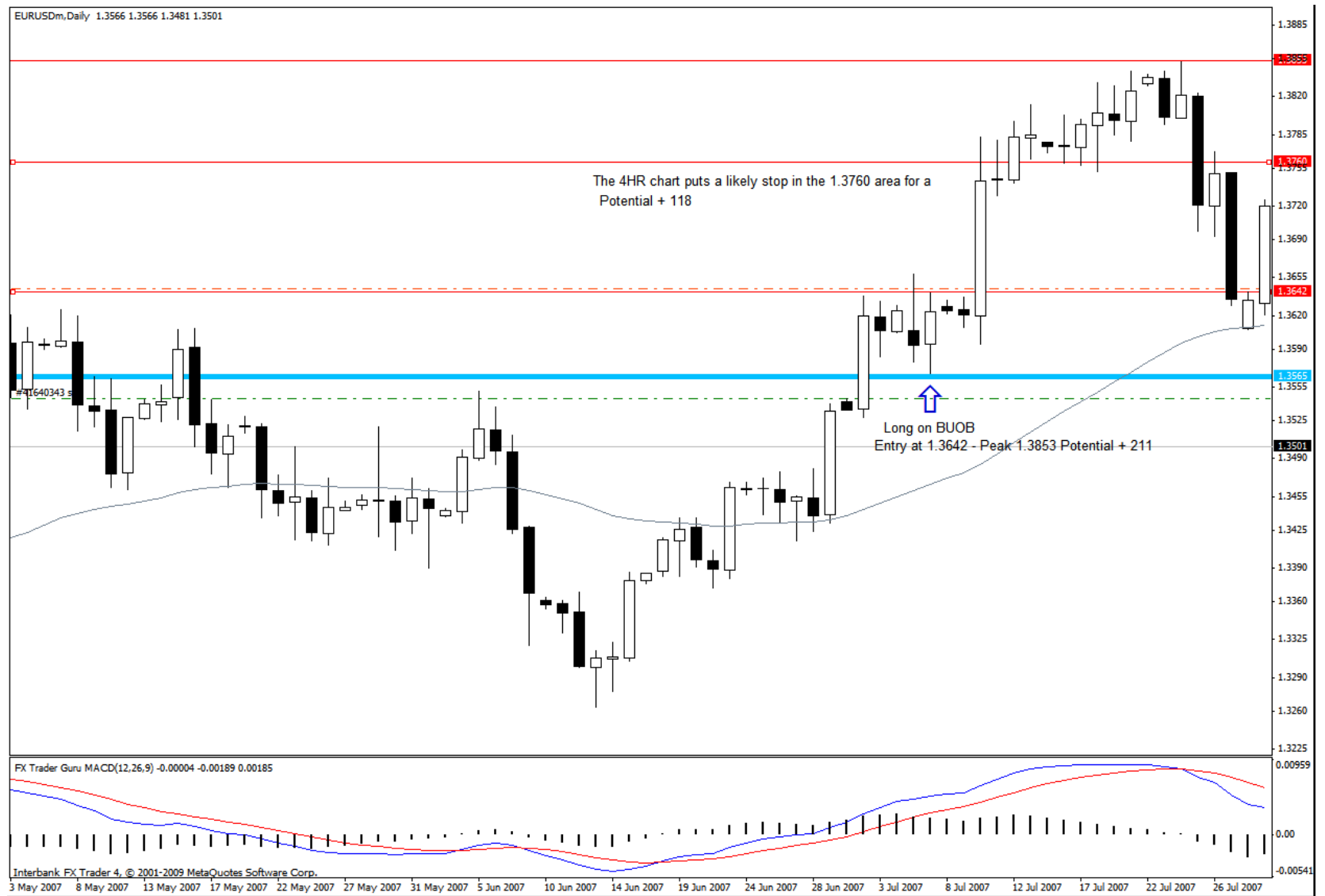
Not a great start, but it looked like a good signal.



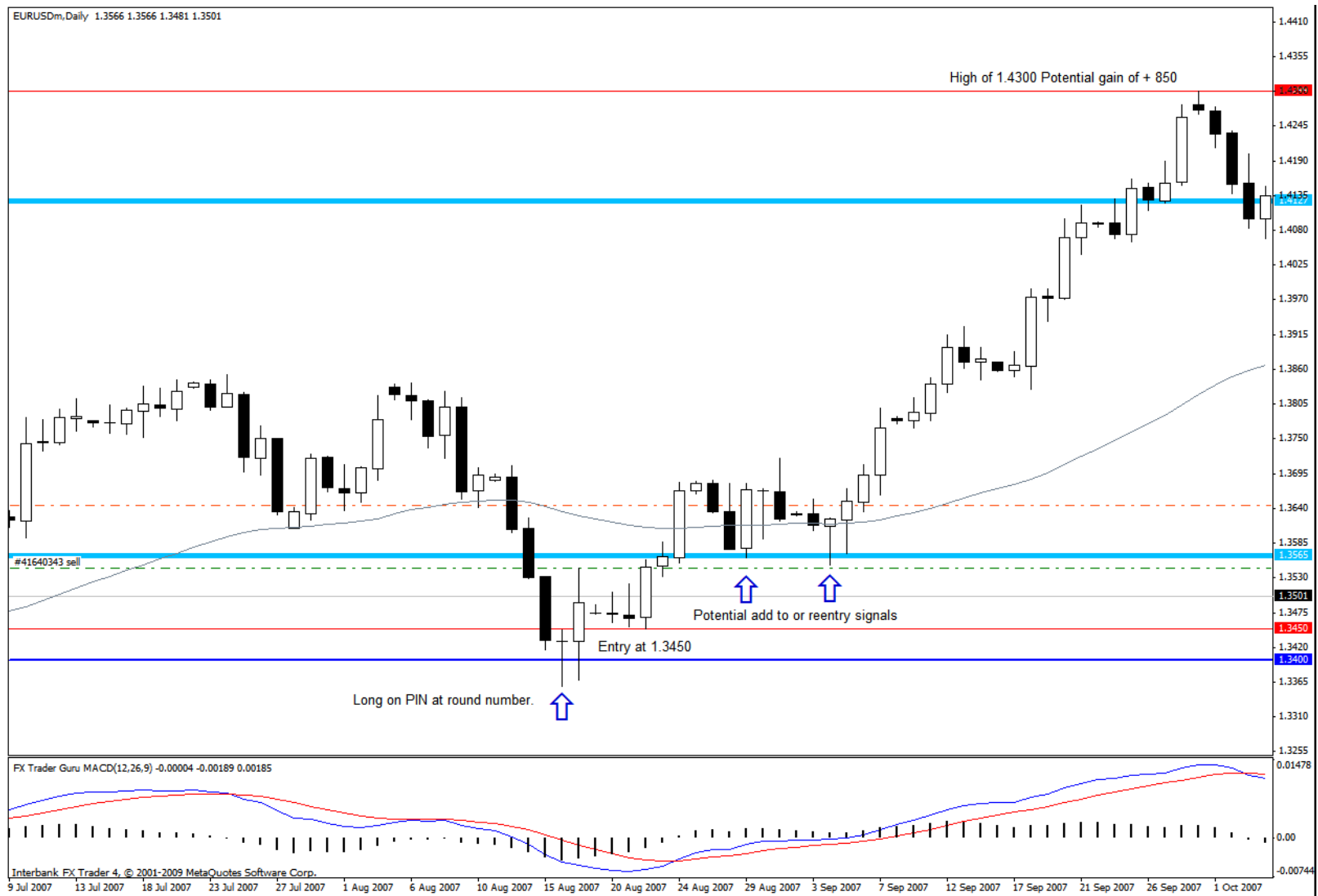
Not a bad trade, but not a runner. I called this a BE trade.



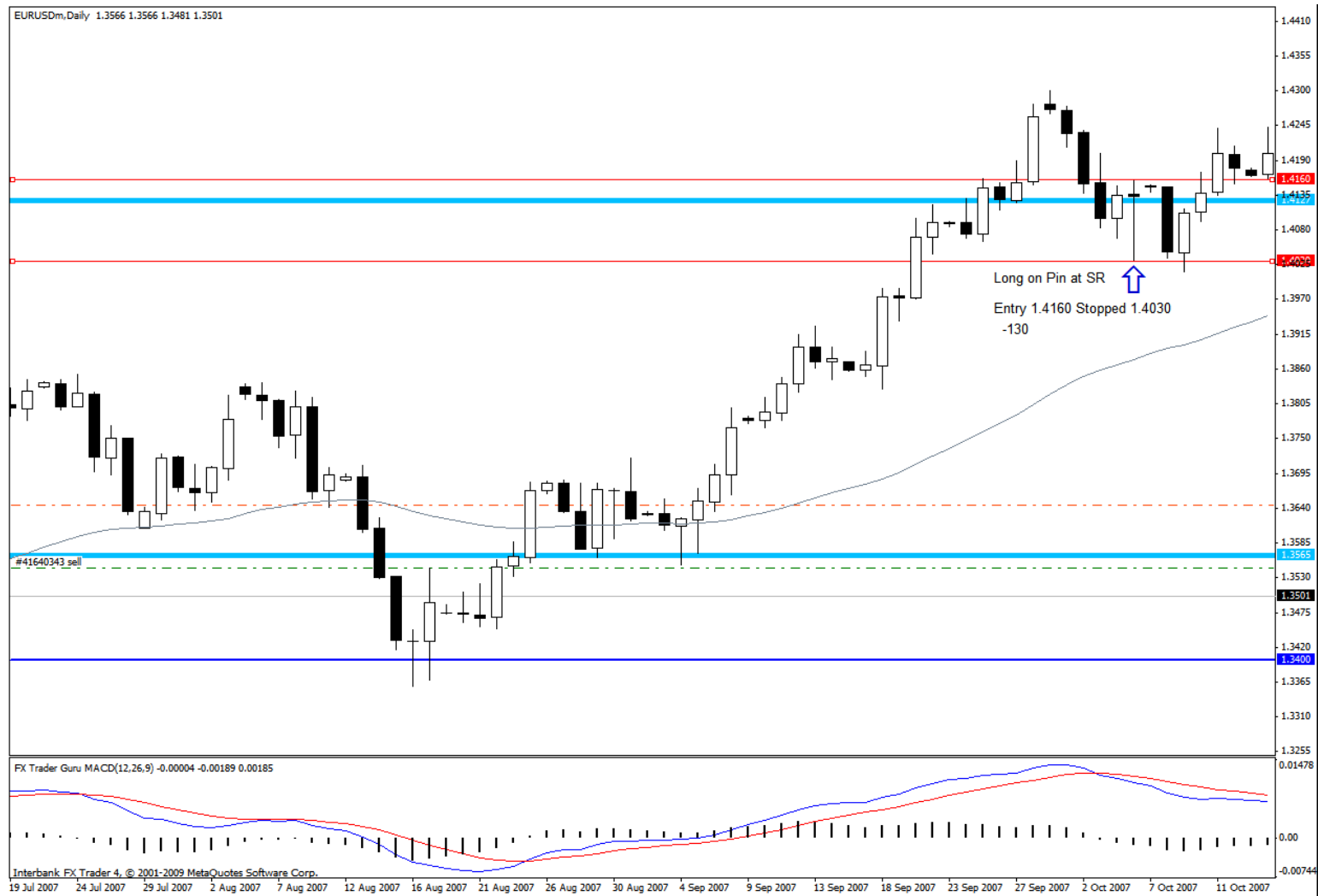
This is more like it. A break through resistance and then a test. I guess it is not really an outside bar, but I liked it.



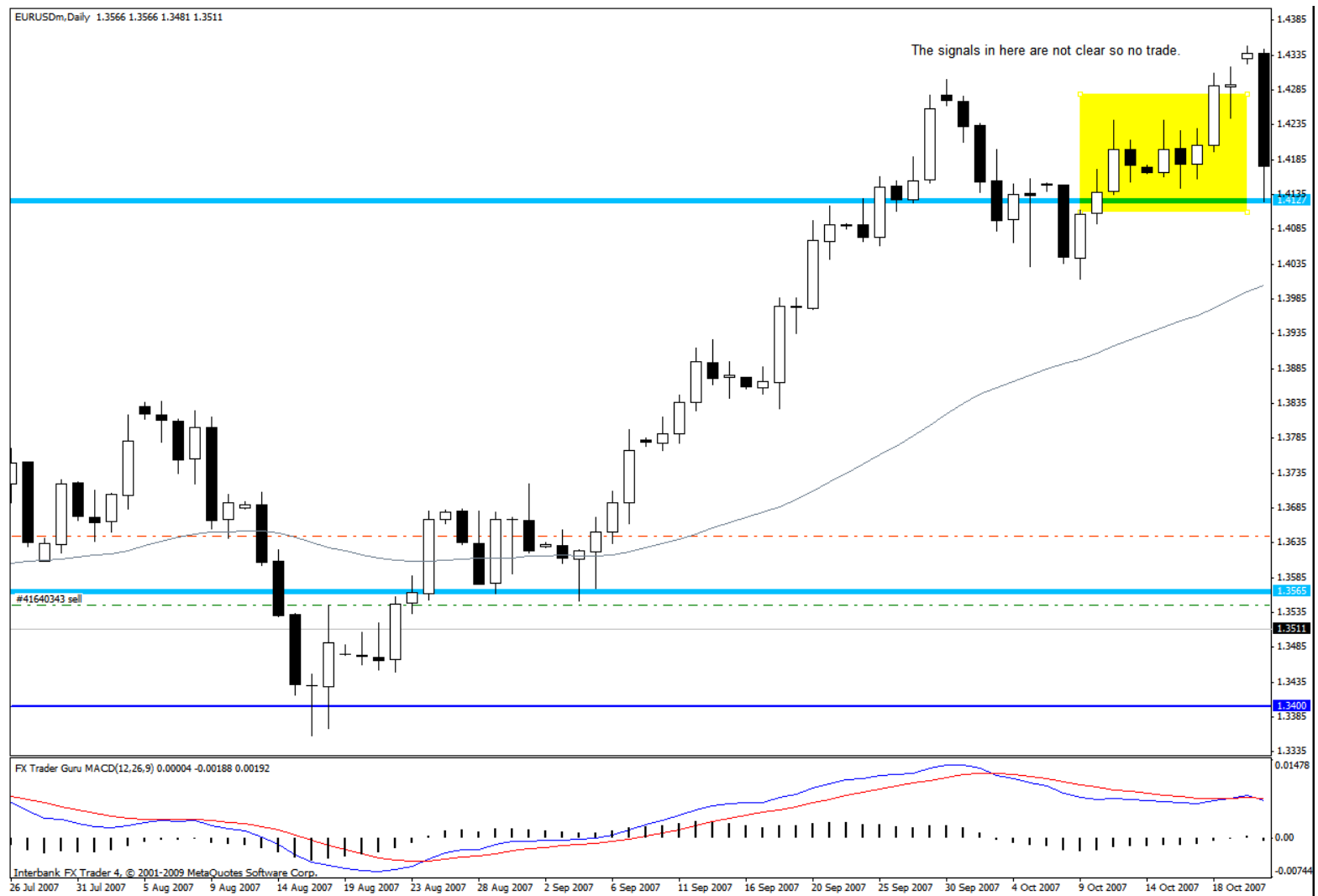
This was during consolidation of an uptrend. A nice test of a round number.



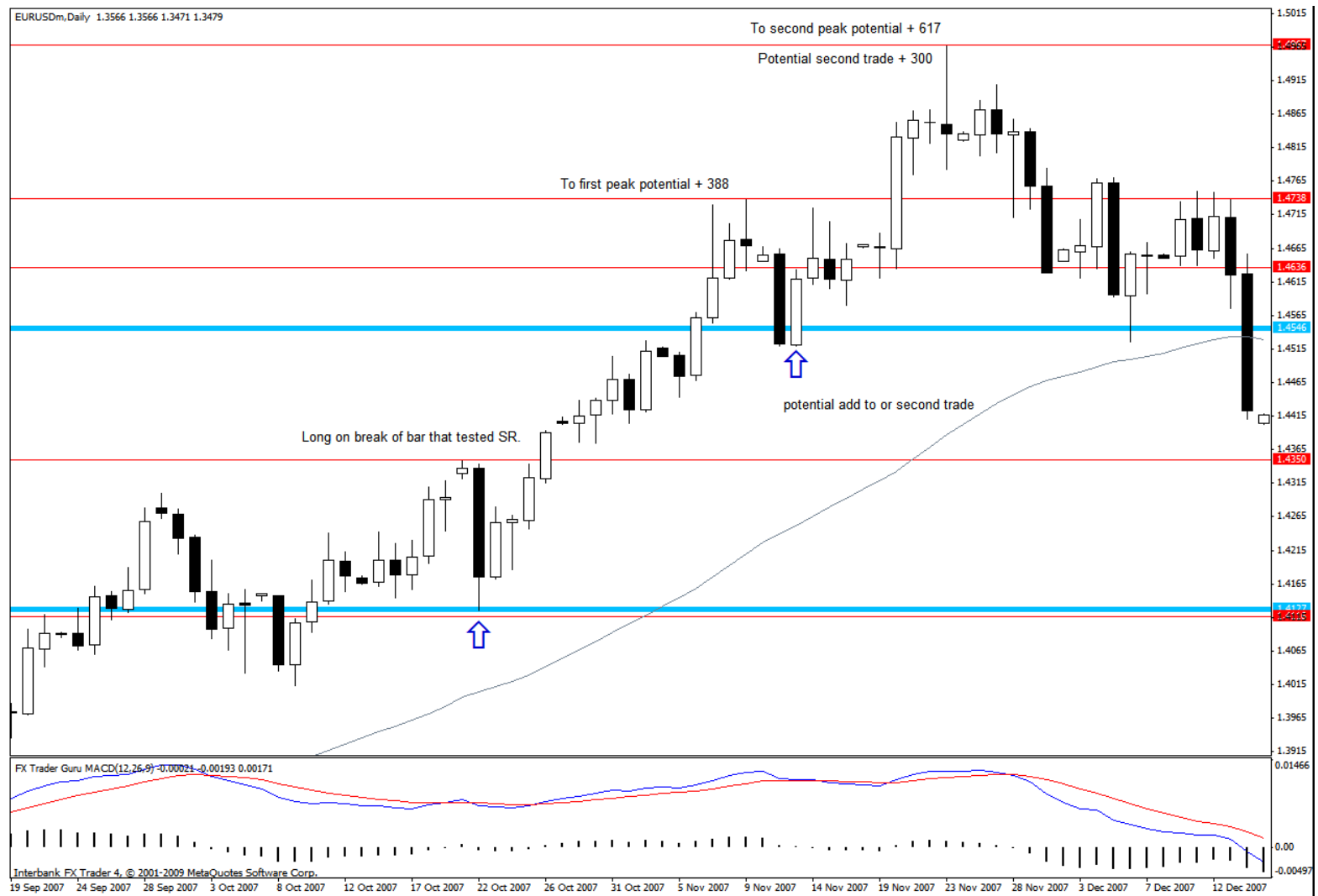
A nice signal that did not work out.



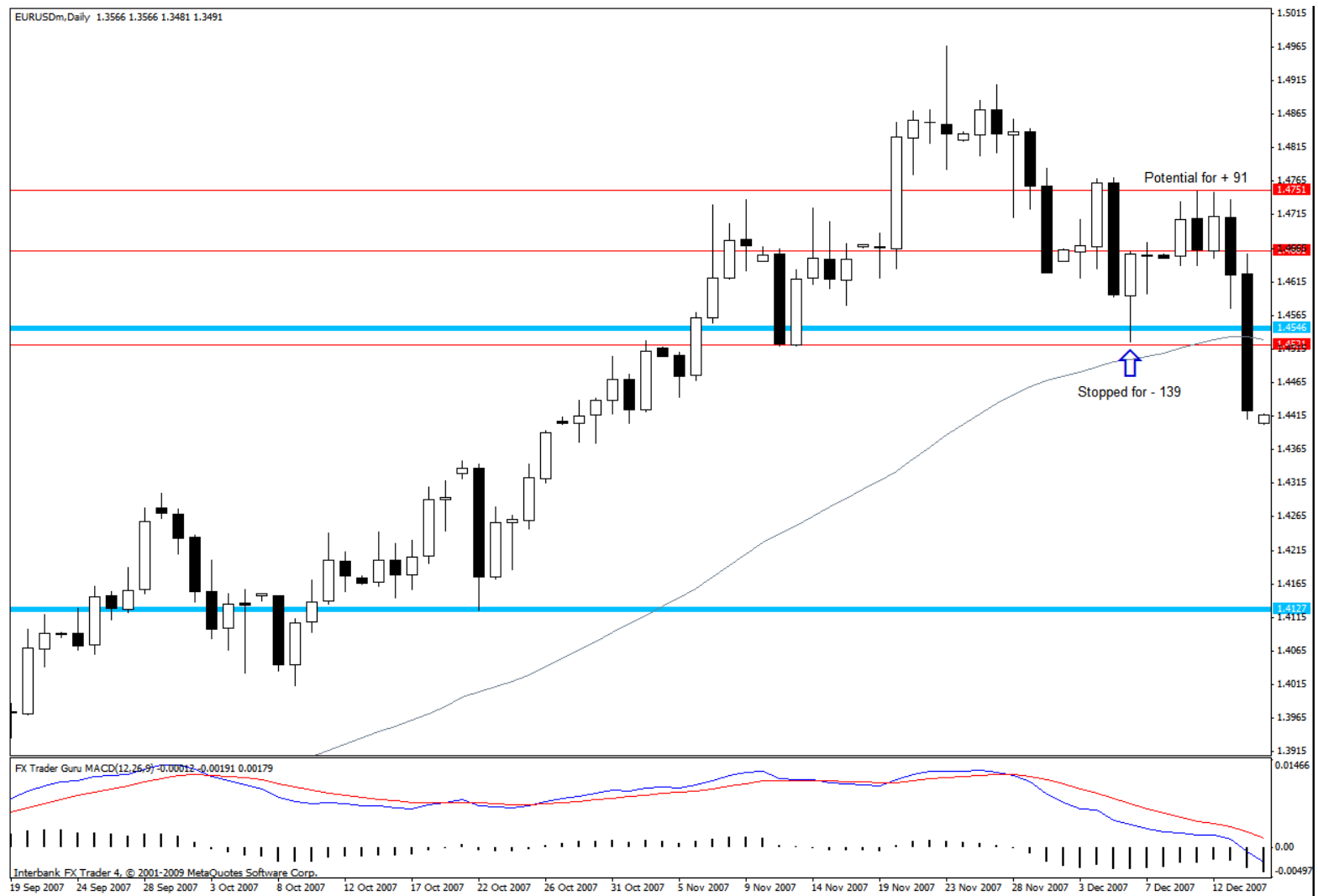
I didn't see any clear signals in here so I stayed out.



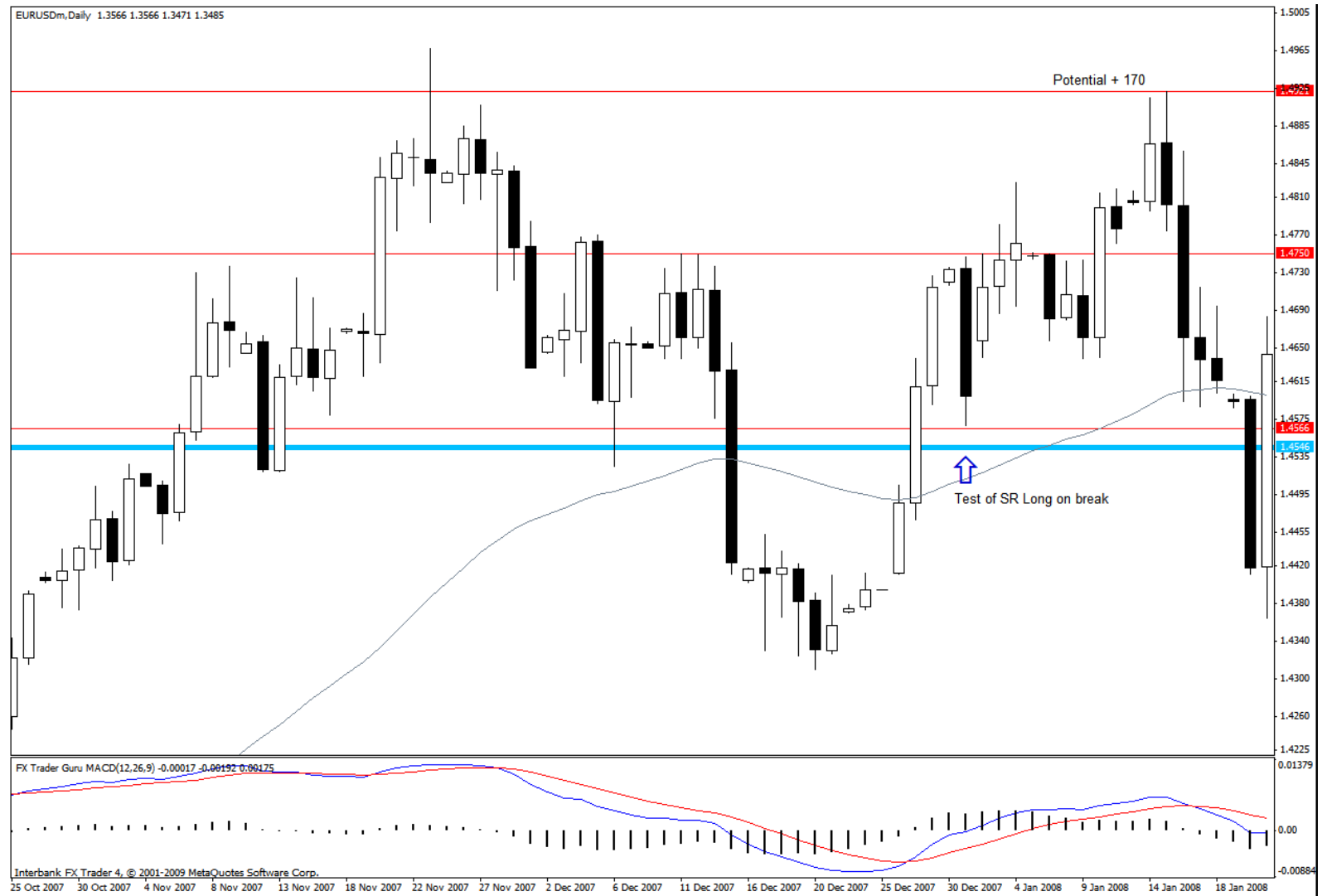
A nice test of resistance before resuming the trend.



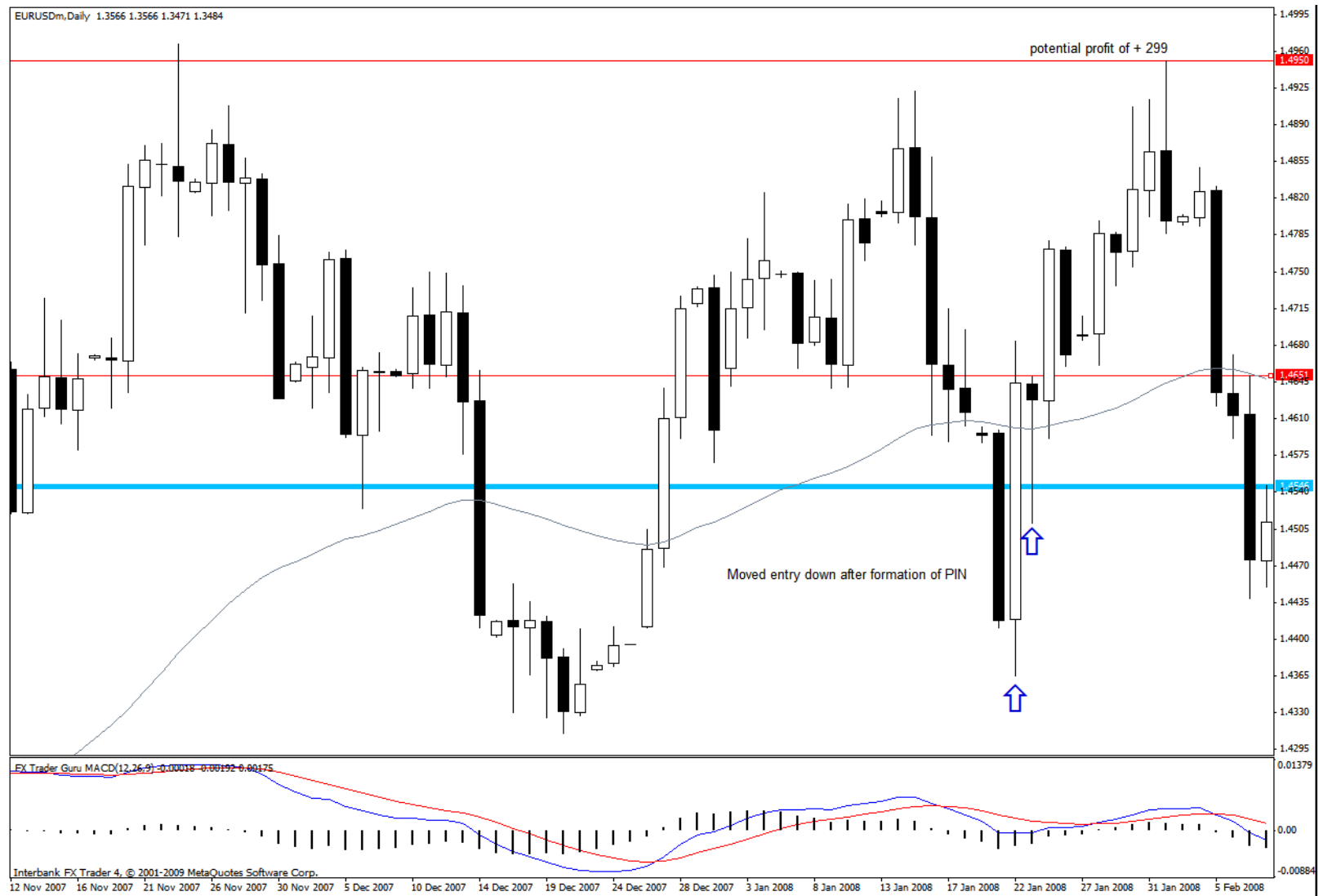
Losses are going to happen. I do see some warning signs here, but it looked like a good signal.



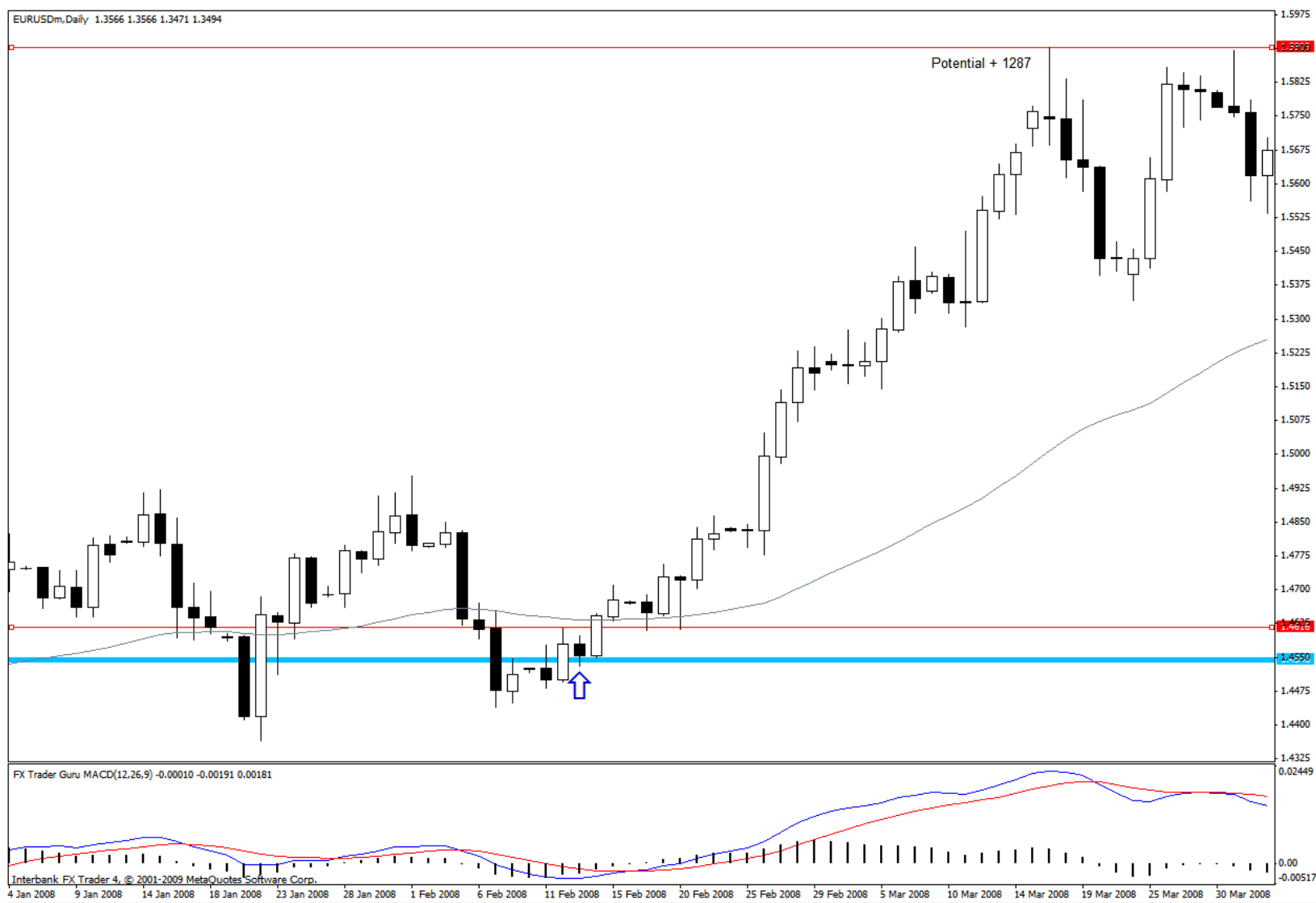
Not a huge trade, but a chance to grab some profit.



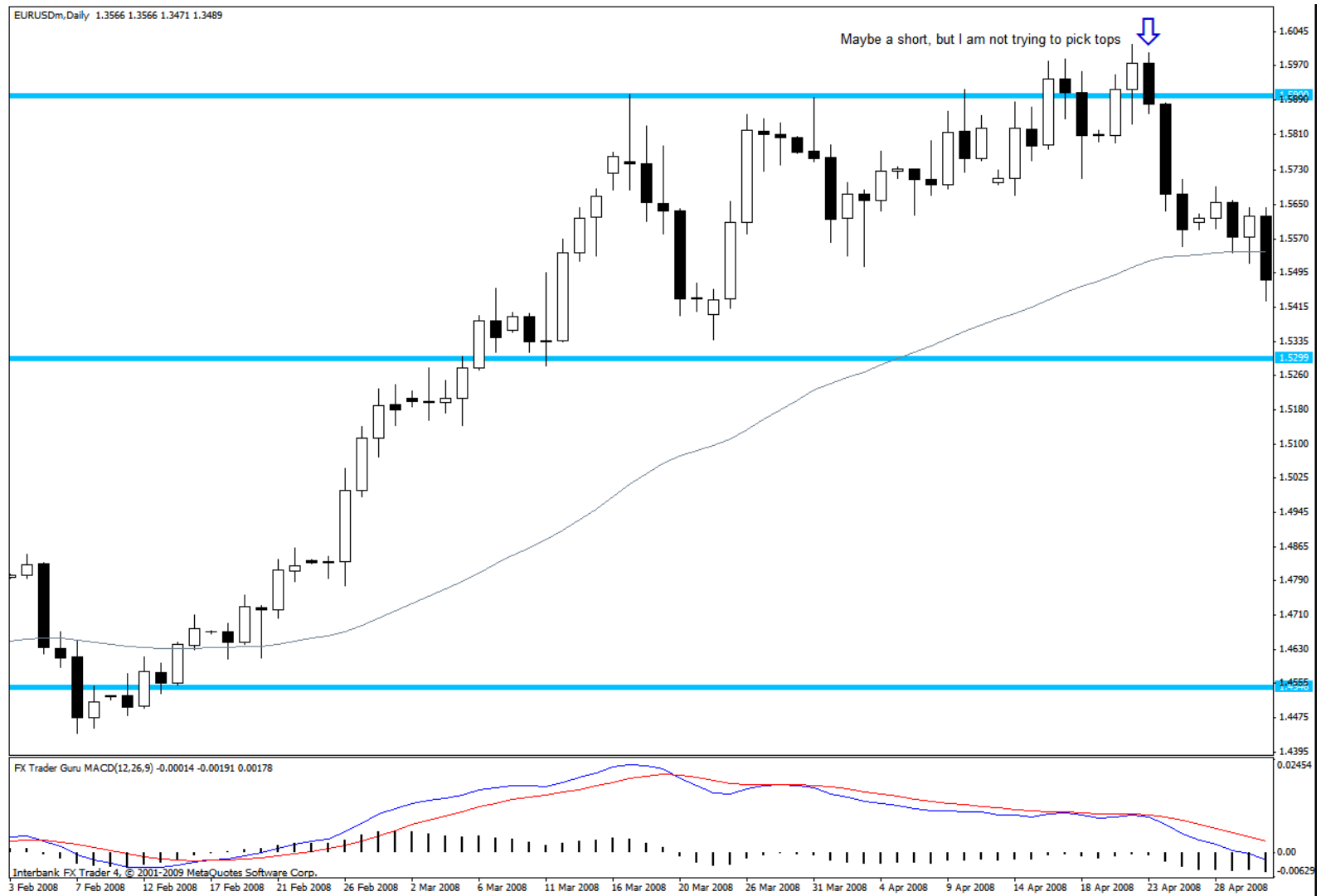
Nice PIN bar entry. I had an entry set on the BUOB, but adjusted the entry once the PIN formed.



Yeah, we need more like these. It's hard to say how many pips may have been earned on this trade, but it is an example of why we try to let our trades run. Although this is not a PIN I saw it as a break and test of S/R.



This was a good short signal, but how did I know the trend was changing. I let this one pass.

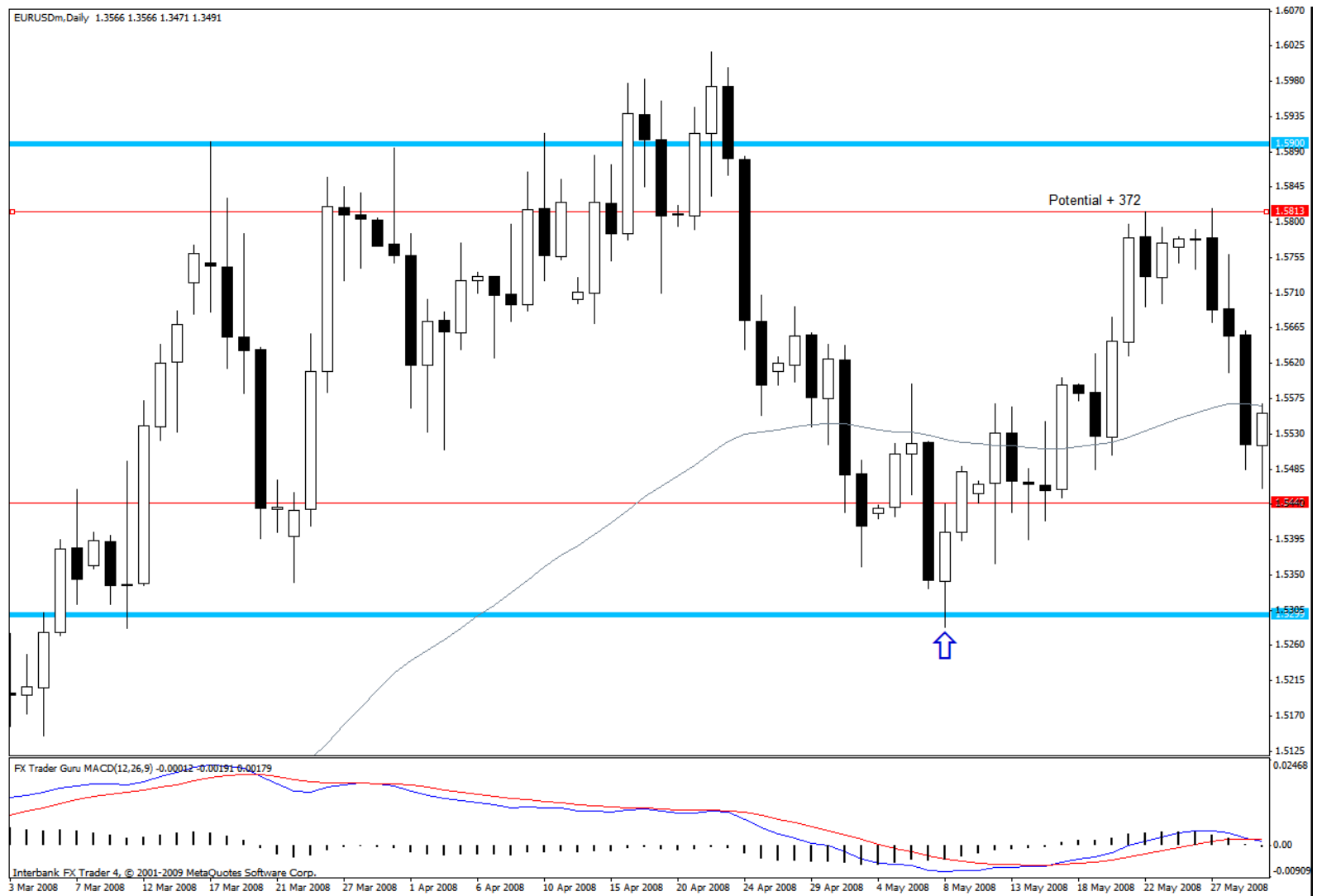


This looked like it could have tested 1.5900.

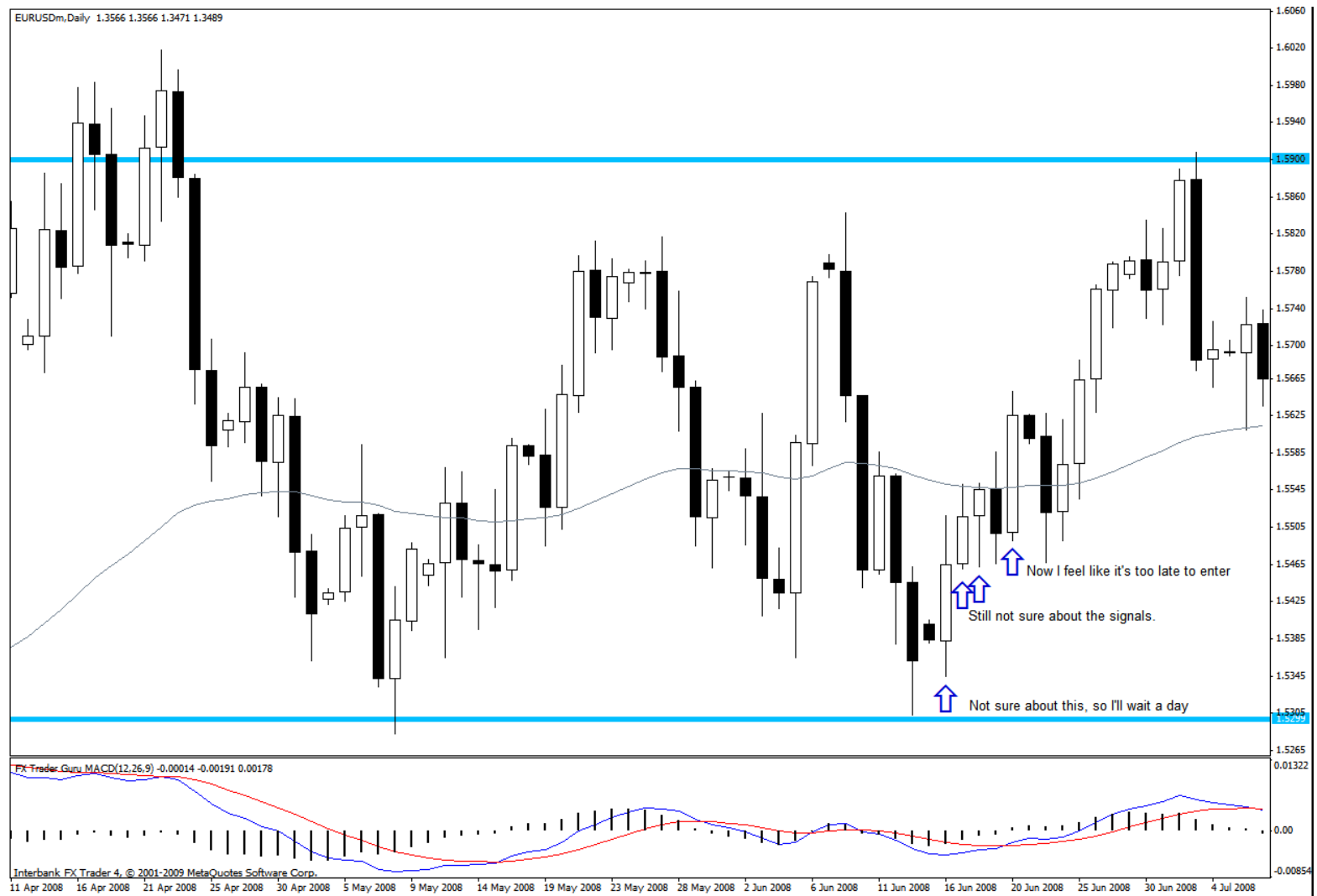
You can see that the next PIN that actually touched a S/R is a better signal.



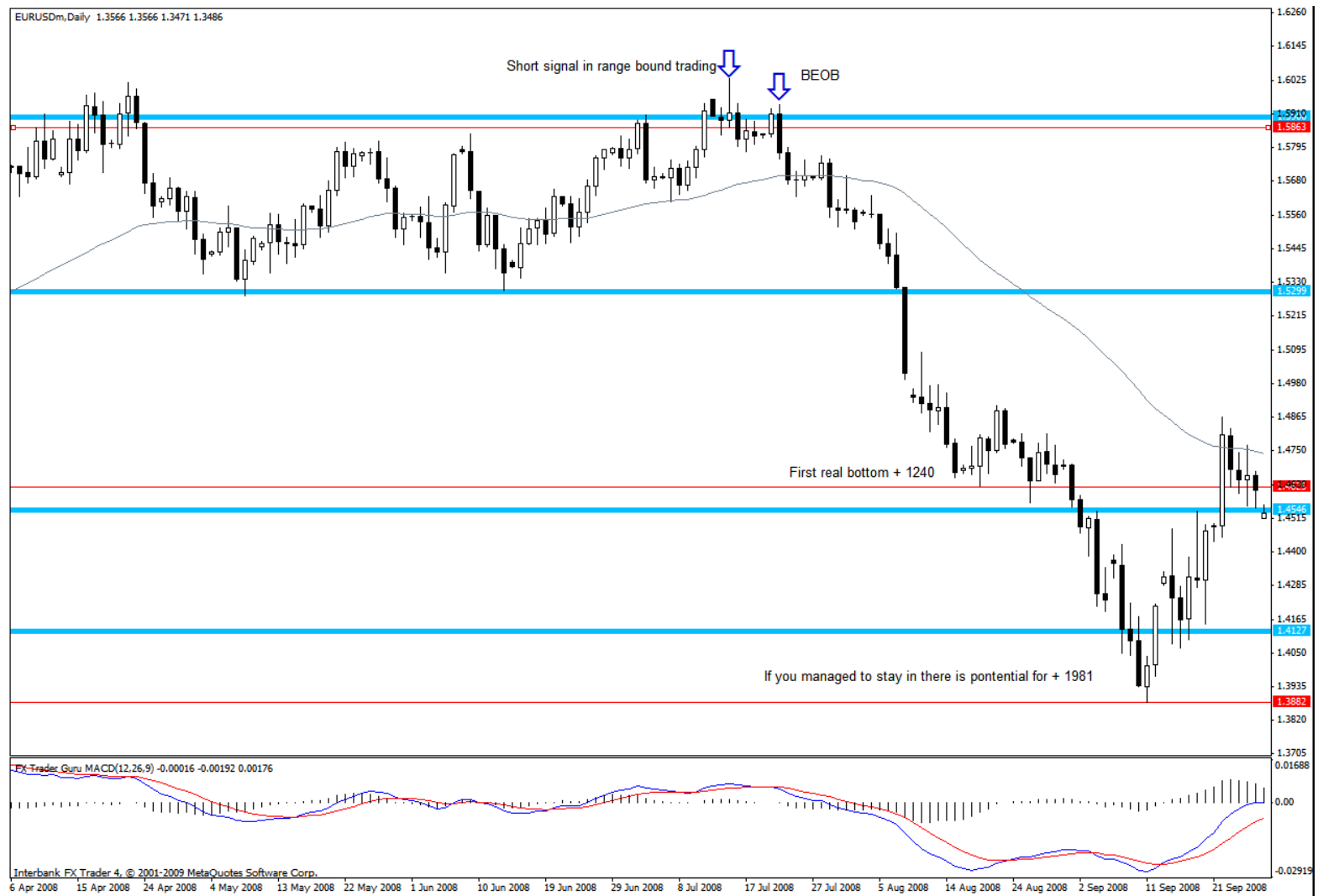
A PIN at support. Not a bad entry.
This is the second PIN from the previous slide.



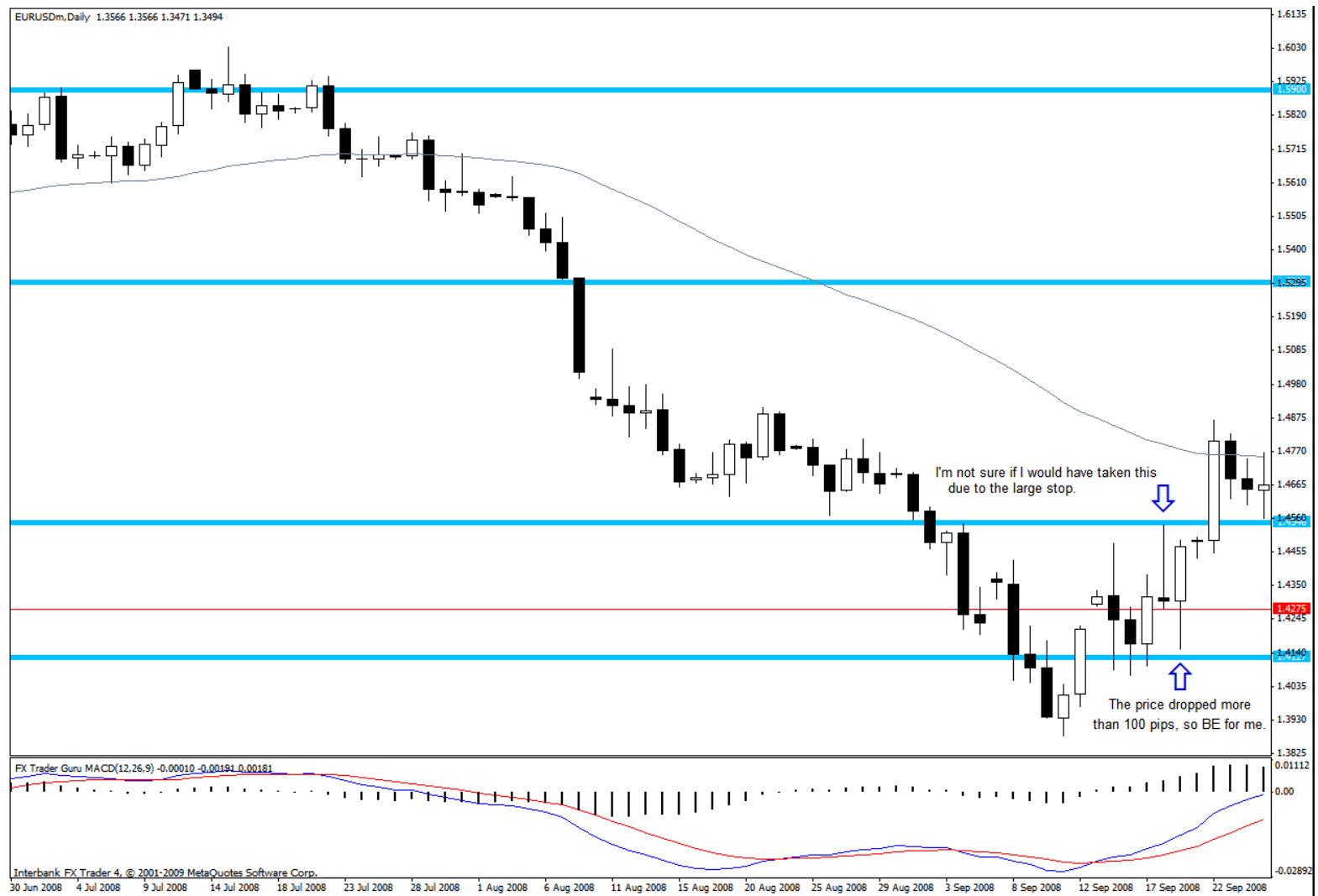
If you're not sure about a trade it is better to stay out. It is better to miss a good trade than to take a bad trade.
Just after the third arrow the price dropped to test 1.5500. That would have been a good entry.



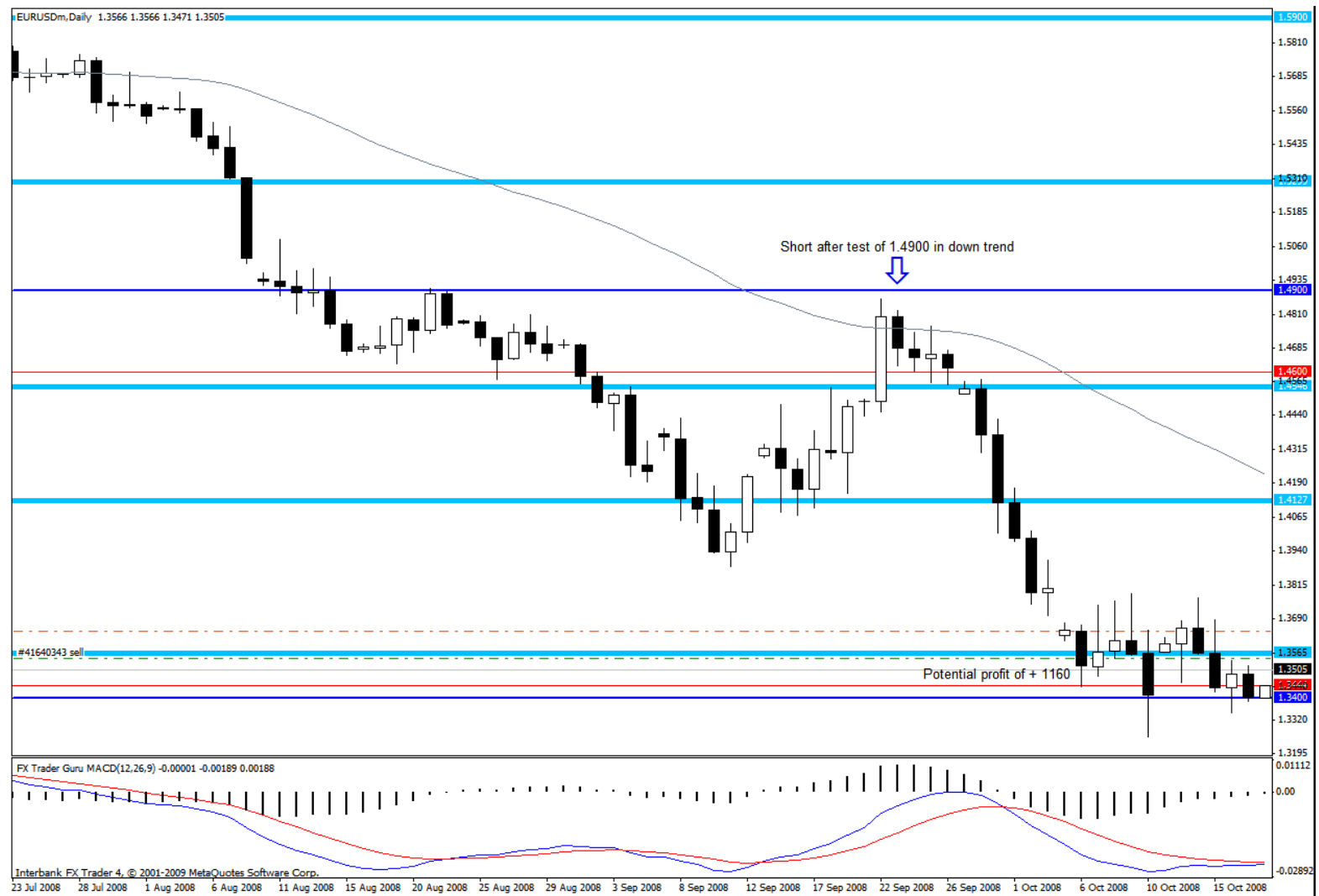
Here is a signal during range bound trading. It is followed by a second signal that could be used as confirmation.



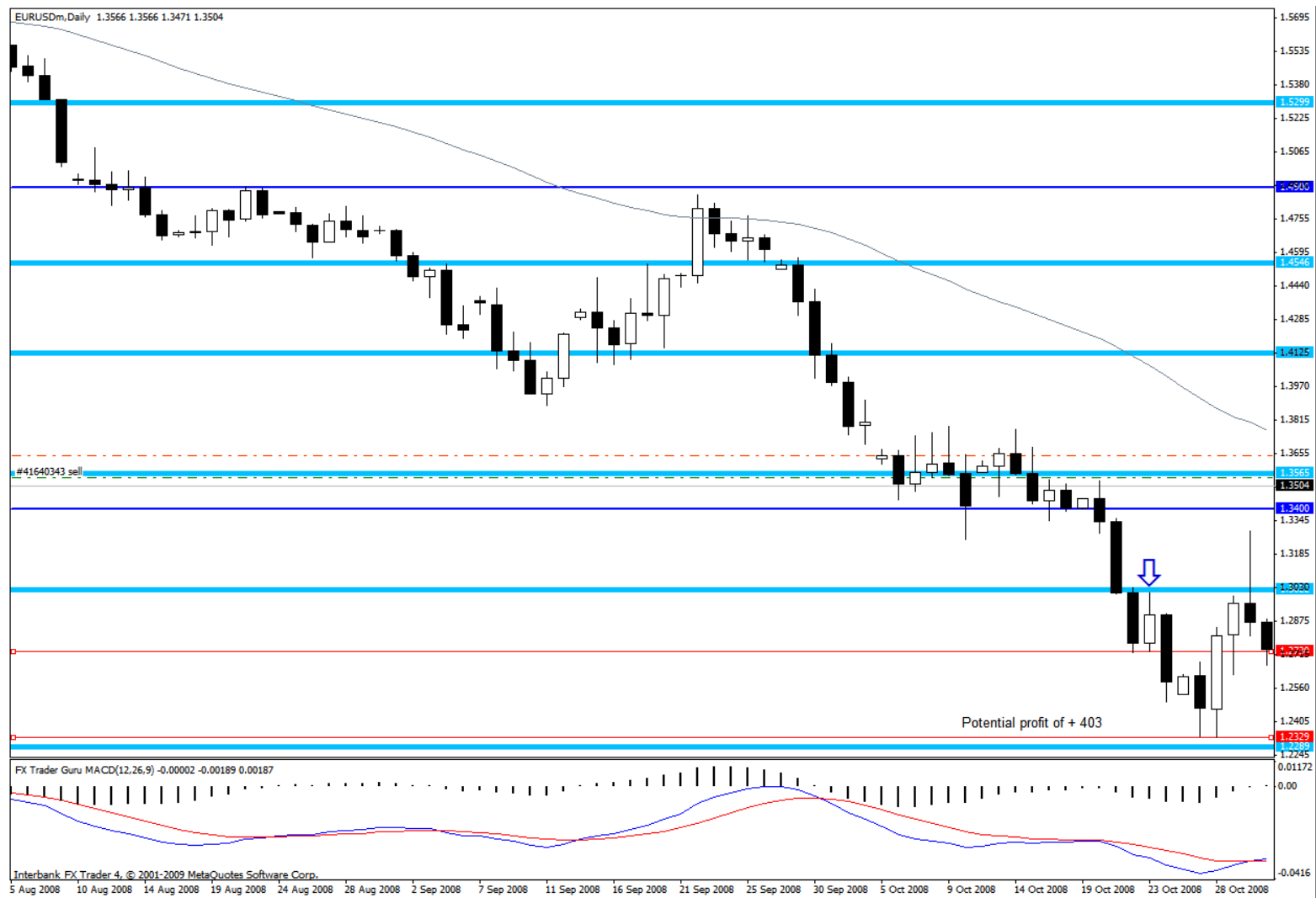
This looks like it could have been a good trade. The trend was down, a PIN formed at S/R.
The price went at least 100 pips so I counted it as BE.



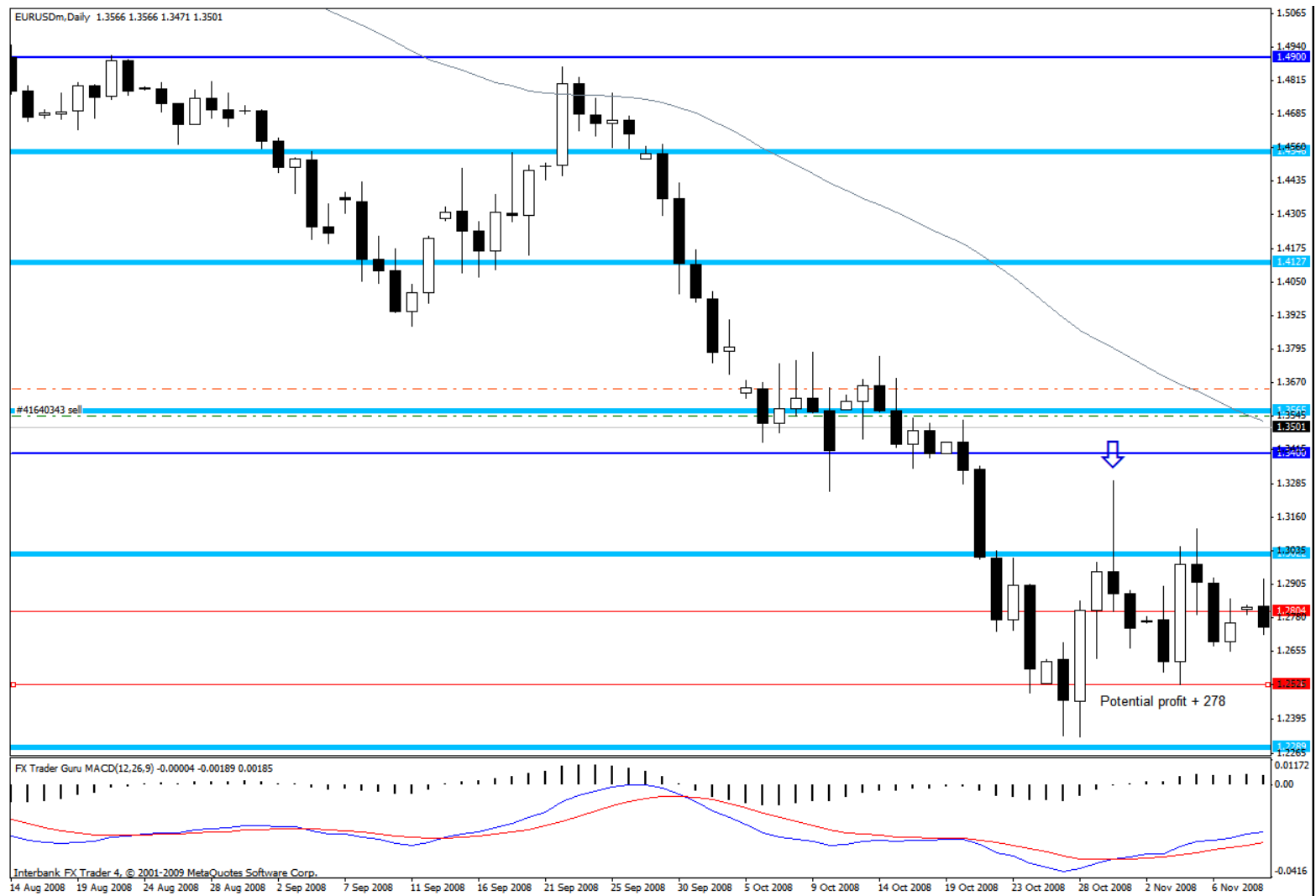
Trend is down. Price tested 1.4900 (or close enough). It's not a pin, but trading with the trend gives me a bit more confidence.



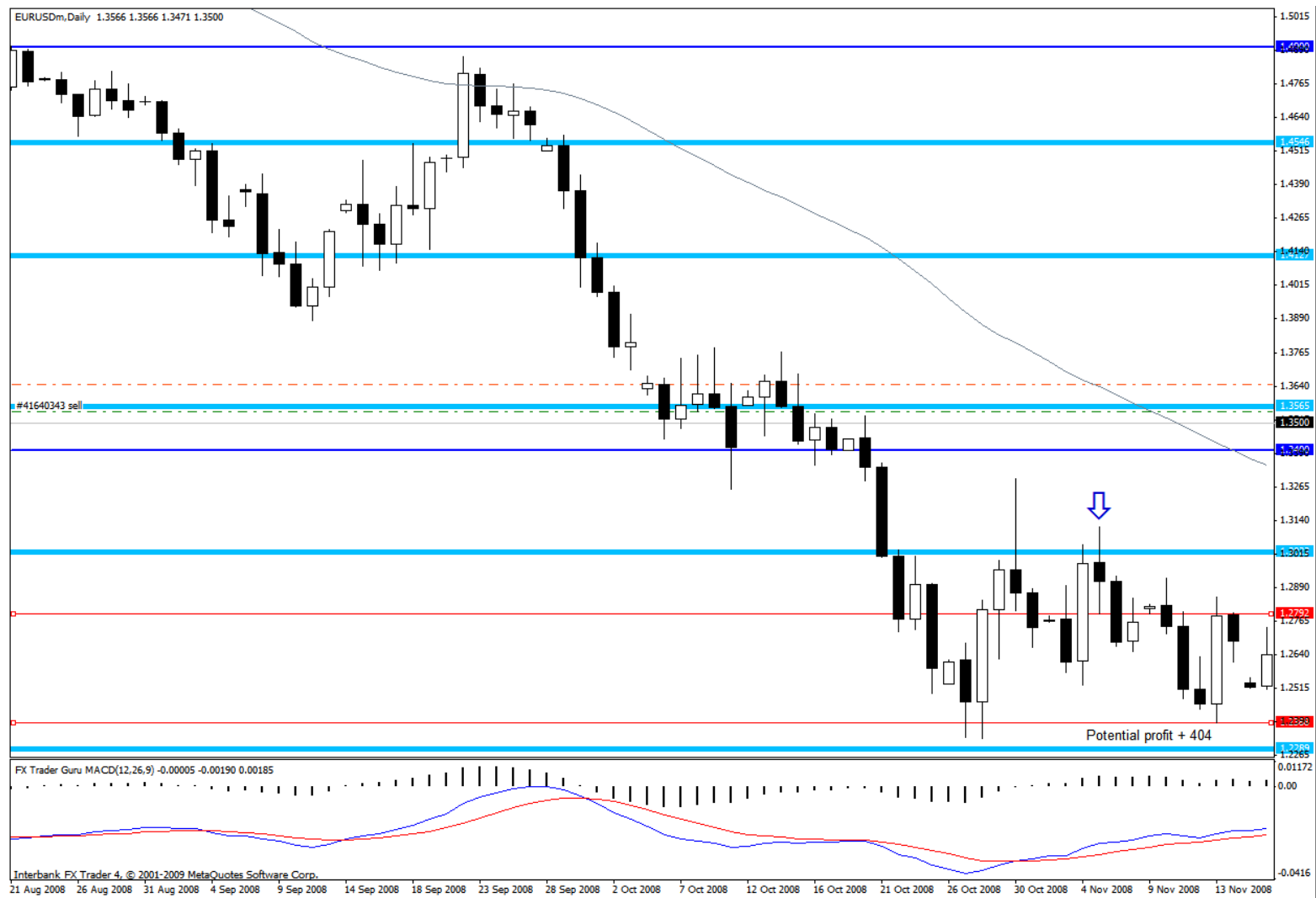
Not a true PIN because of the large body, and being an up candle, but it is still a break and a test.
There is another PIN that formed a few candles later for those who did not take this trade.



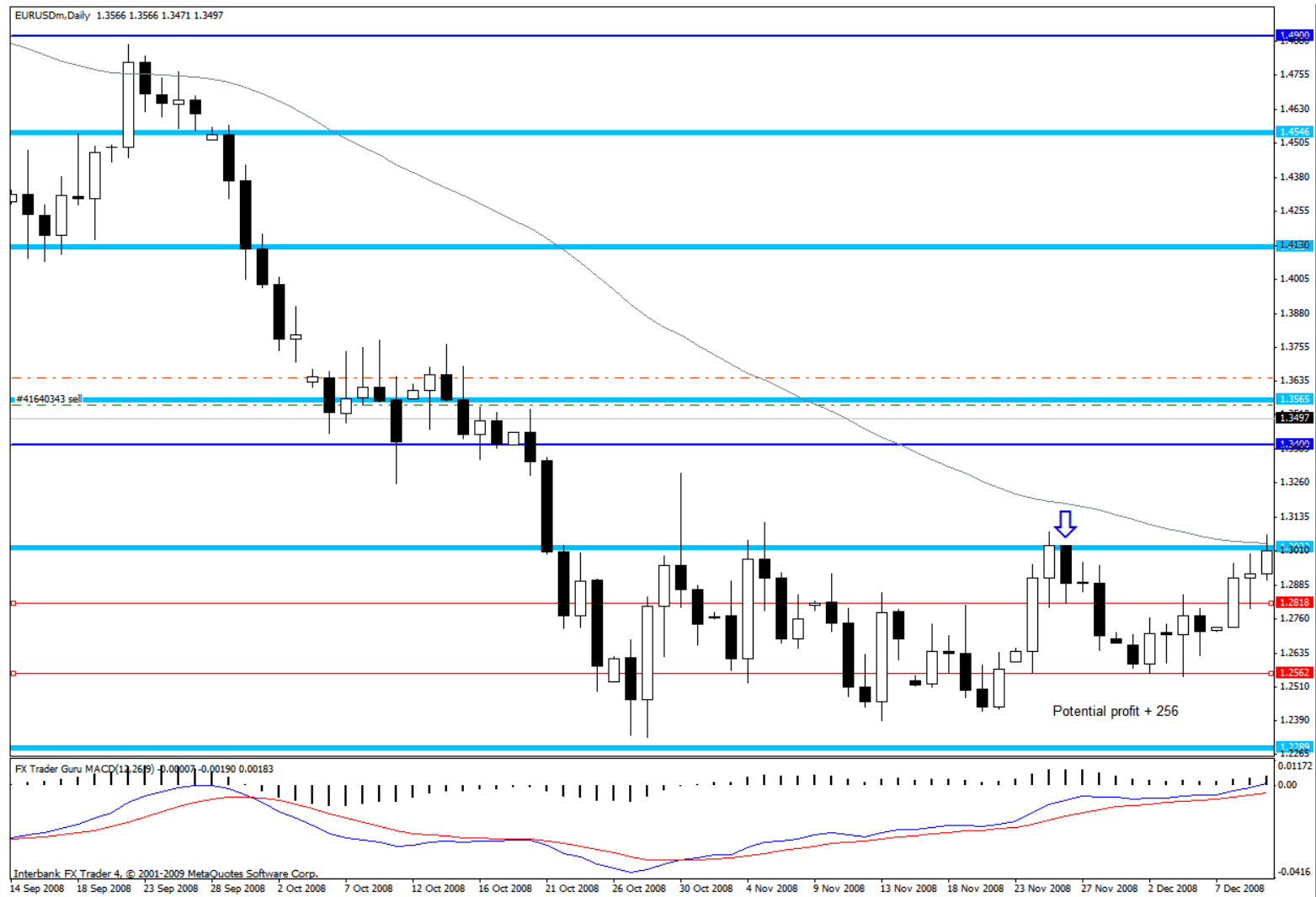
This seemed like a much better signal, but it did not run away as expected. With a potential profit of + 278 I probably would have made something by trailing the stop on the 4H.



Here is the third signal in a row at the same S/R level.

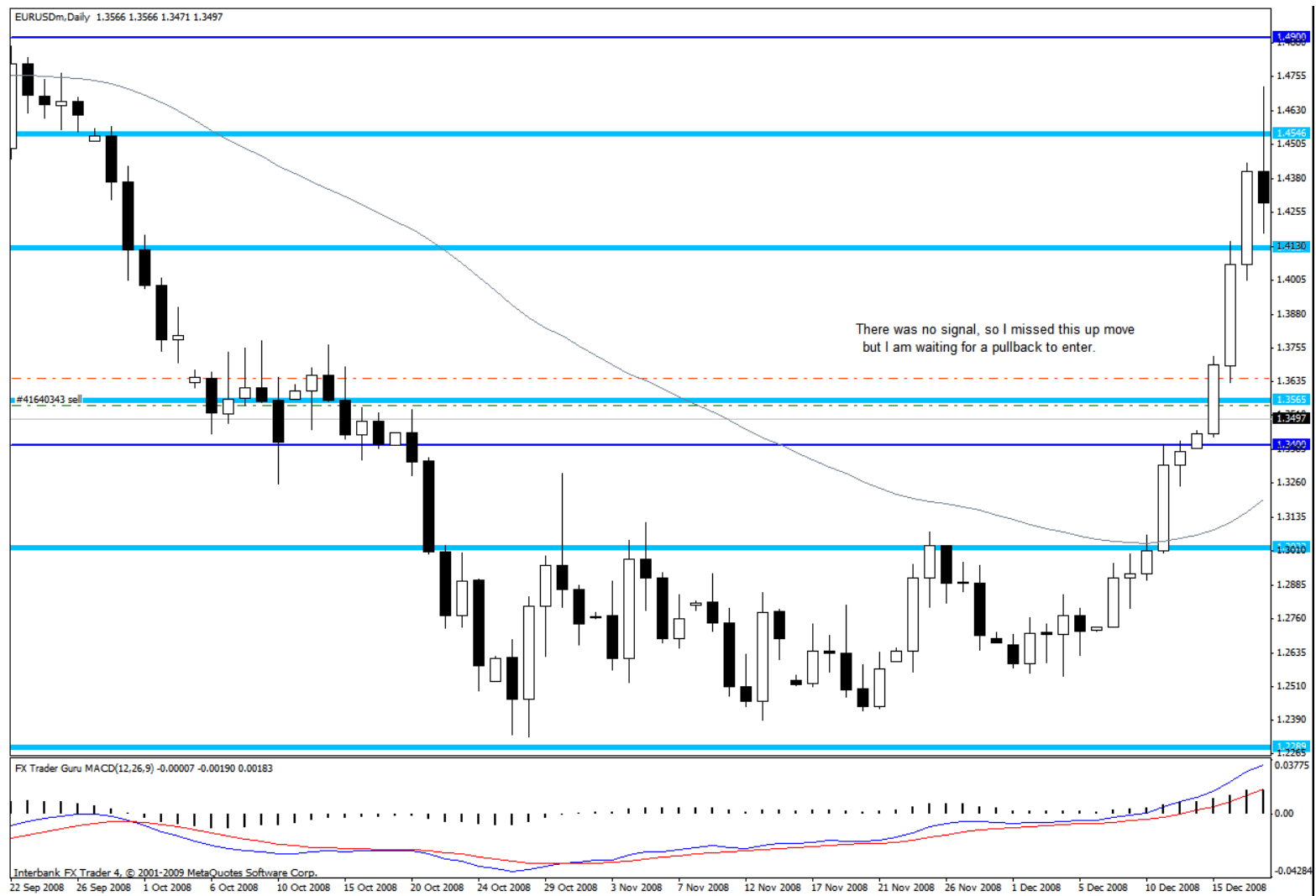


Signal number 4 in the same area. Notice how I am only taking trades in the direction of the trend.
As my skill improves I will learn how to trade the ranges.

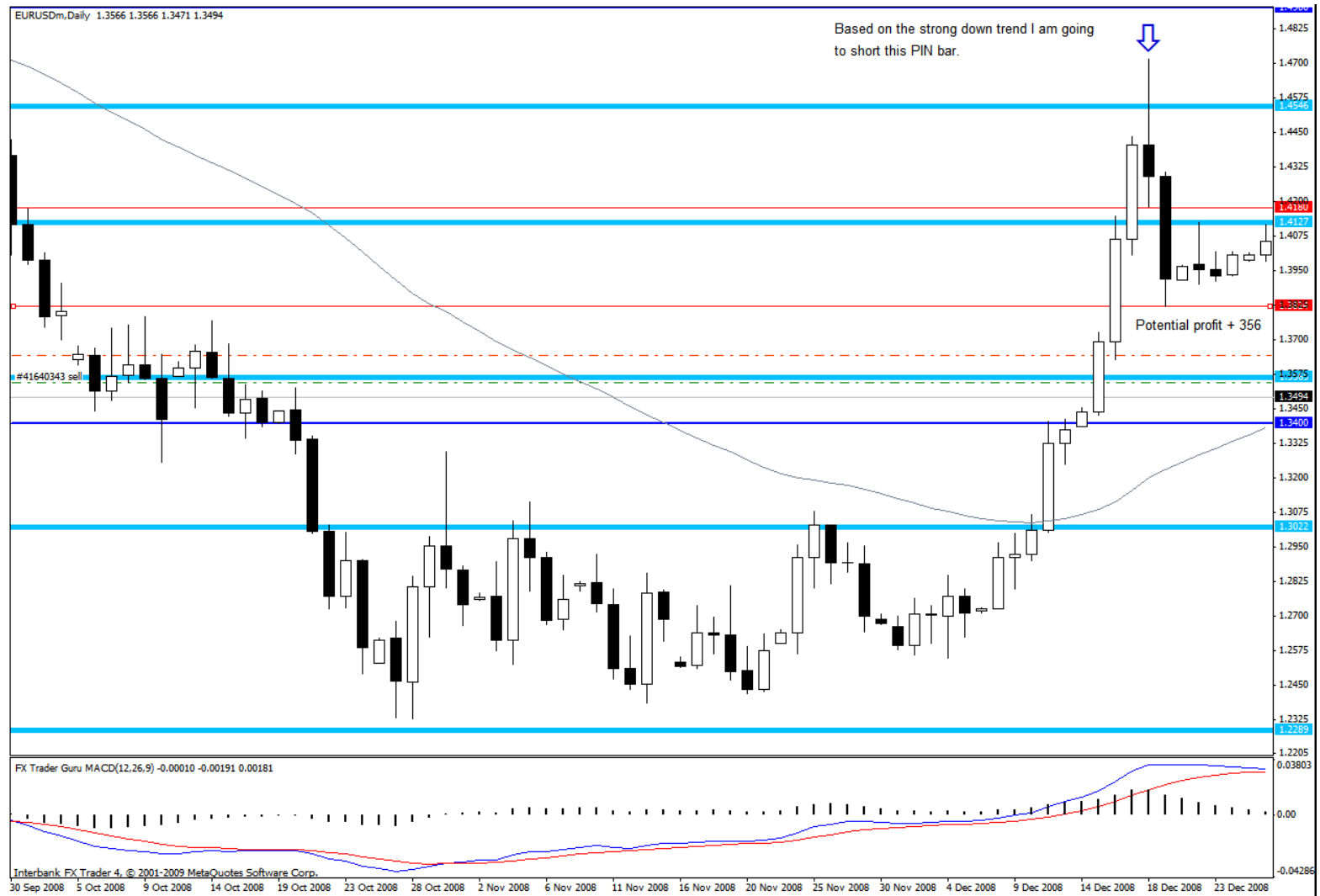


I missed this move because I was trading with the trend, which was down.

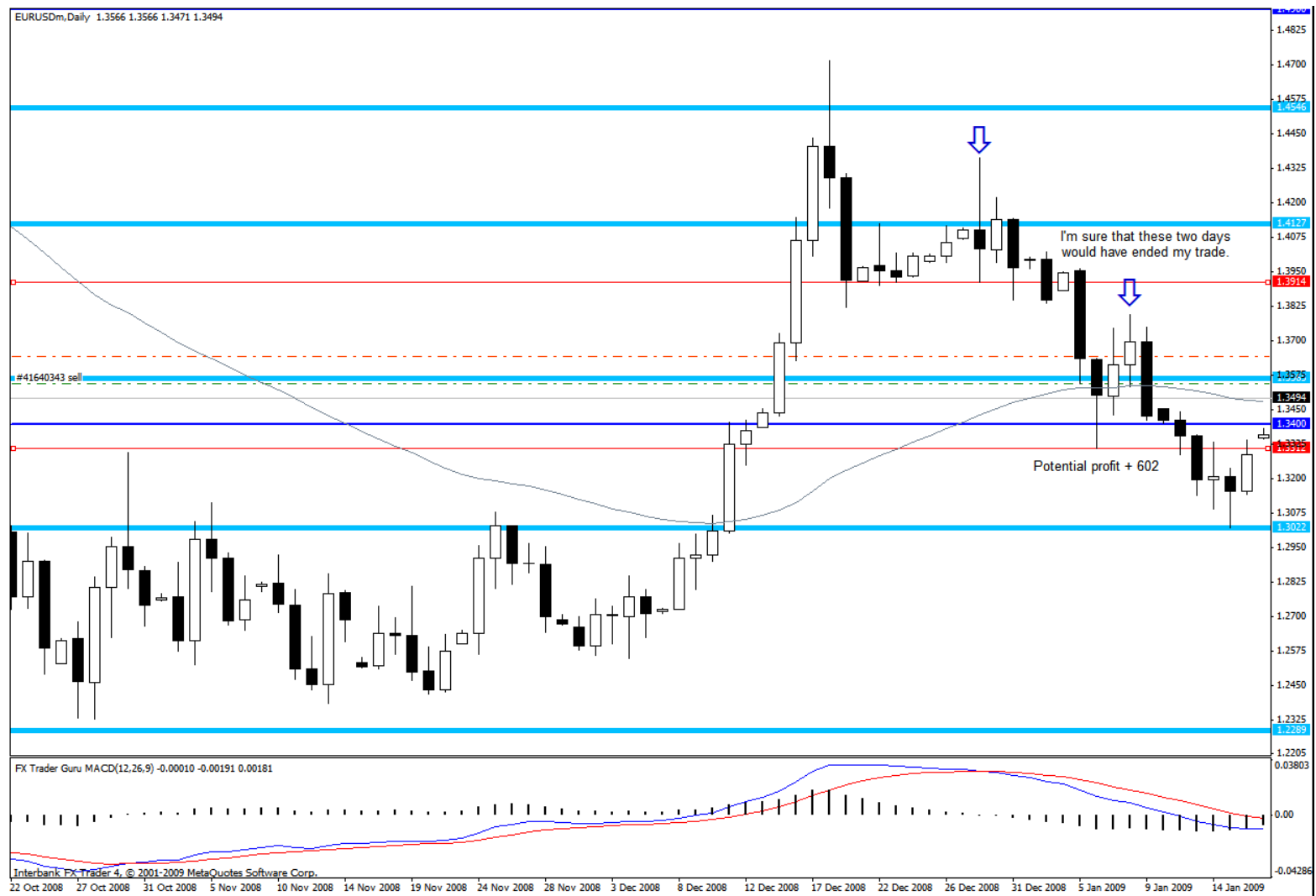
There was no retrace to test support once the resistance was broken, so I did not have a clear entry signal.



Is the trend up now? Or was this a retrace of the down trend? I count it as a retrace and see this as a short signal.
Hopefully a trailing stop would have given me some profit.



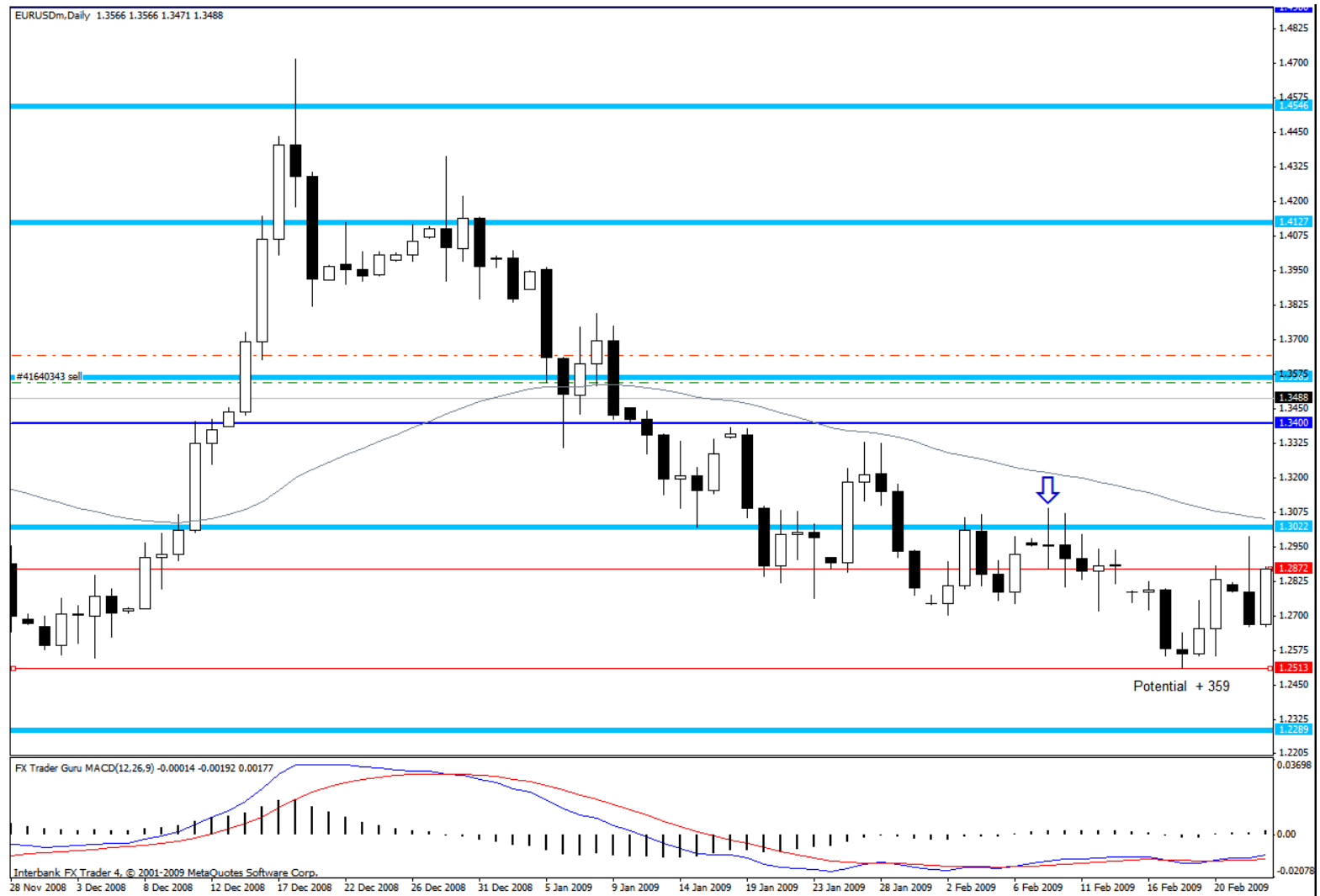
Here the price makes a lower high, to me this confirms the continued down trend. I enter on a nice PIN at S/R.
 I'm not sure how many pips I would have captured but the price drops from the area of 1.40 to 1.33.



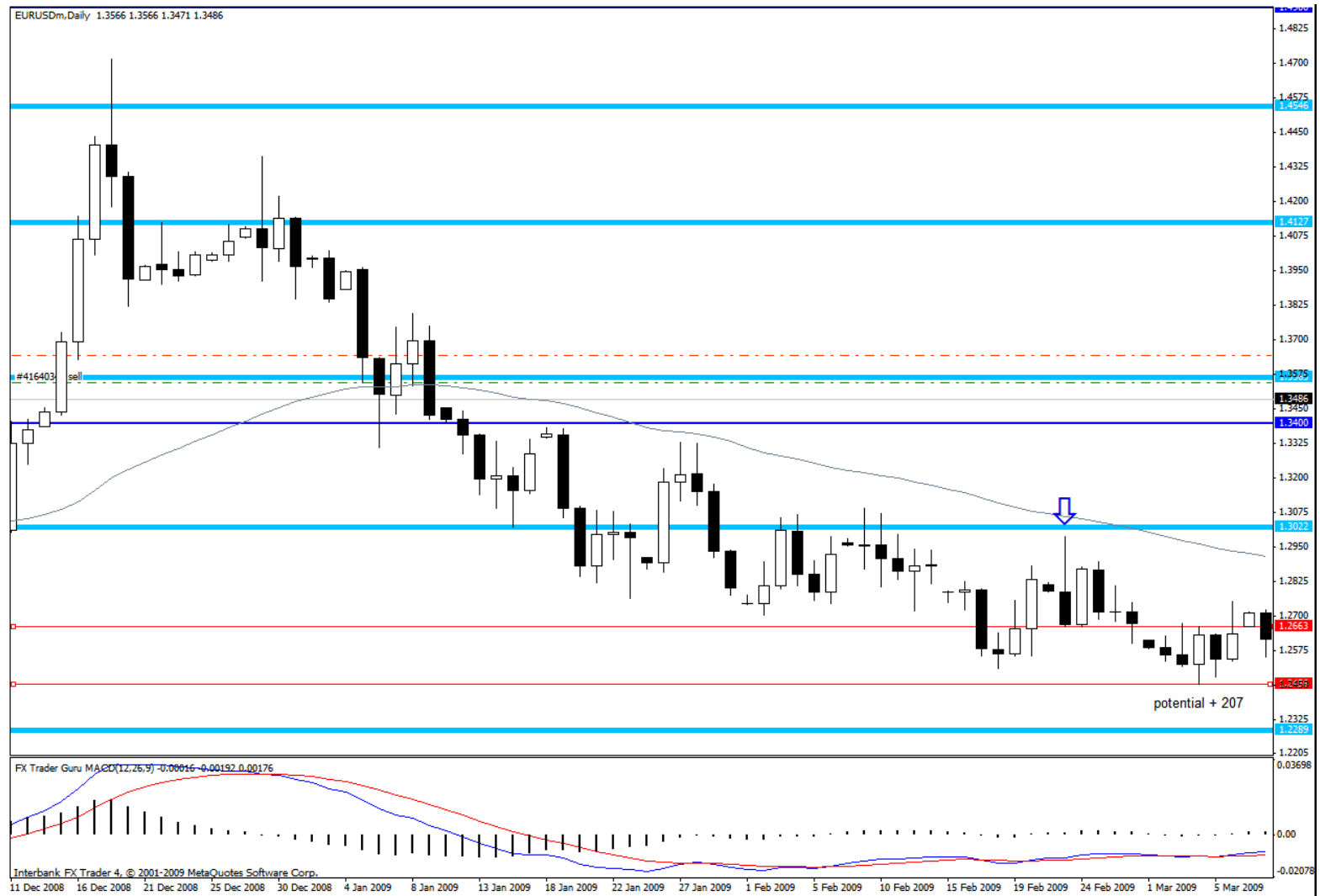
I guess the large down bar could have been seen as a BEOB, but the signal wasn't clear at the time.



This is more what I like to see. A clear second test of S/R and a 'spinning top' or 'high wave' candle. Plus it is with the trend.



Another PIN, right at a round number. 1.2950. I should have adjusted my S/R levels to the closest round numbers. Or at least added levels at the round numbers.



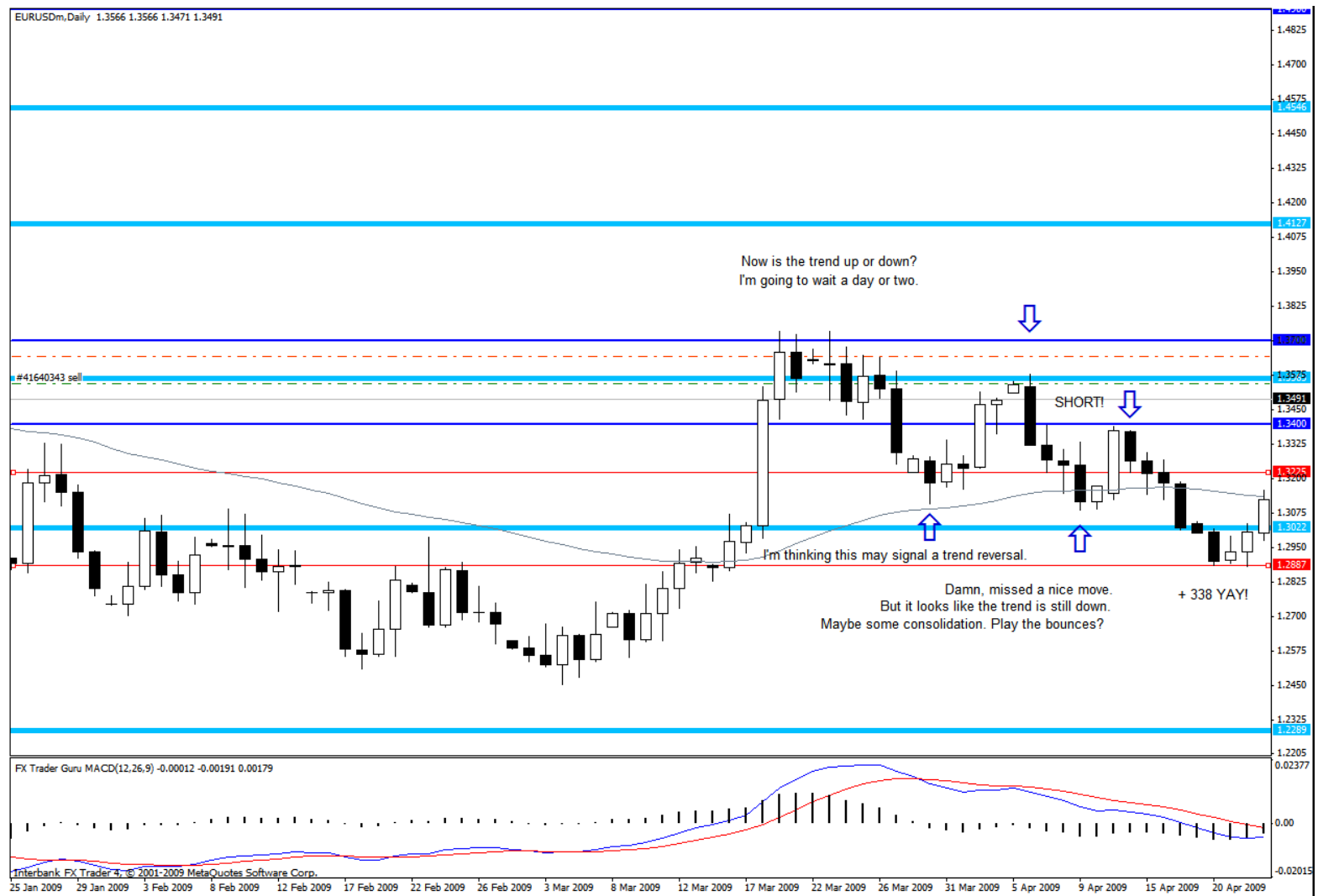
I thought this was a retrace to test a S/R level, but some volatility took me out a couple of days later.



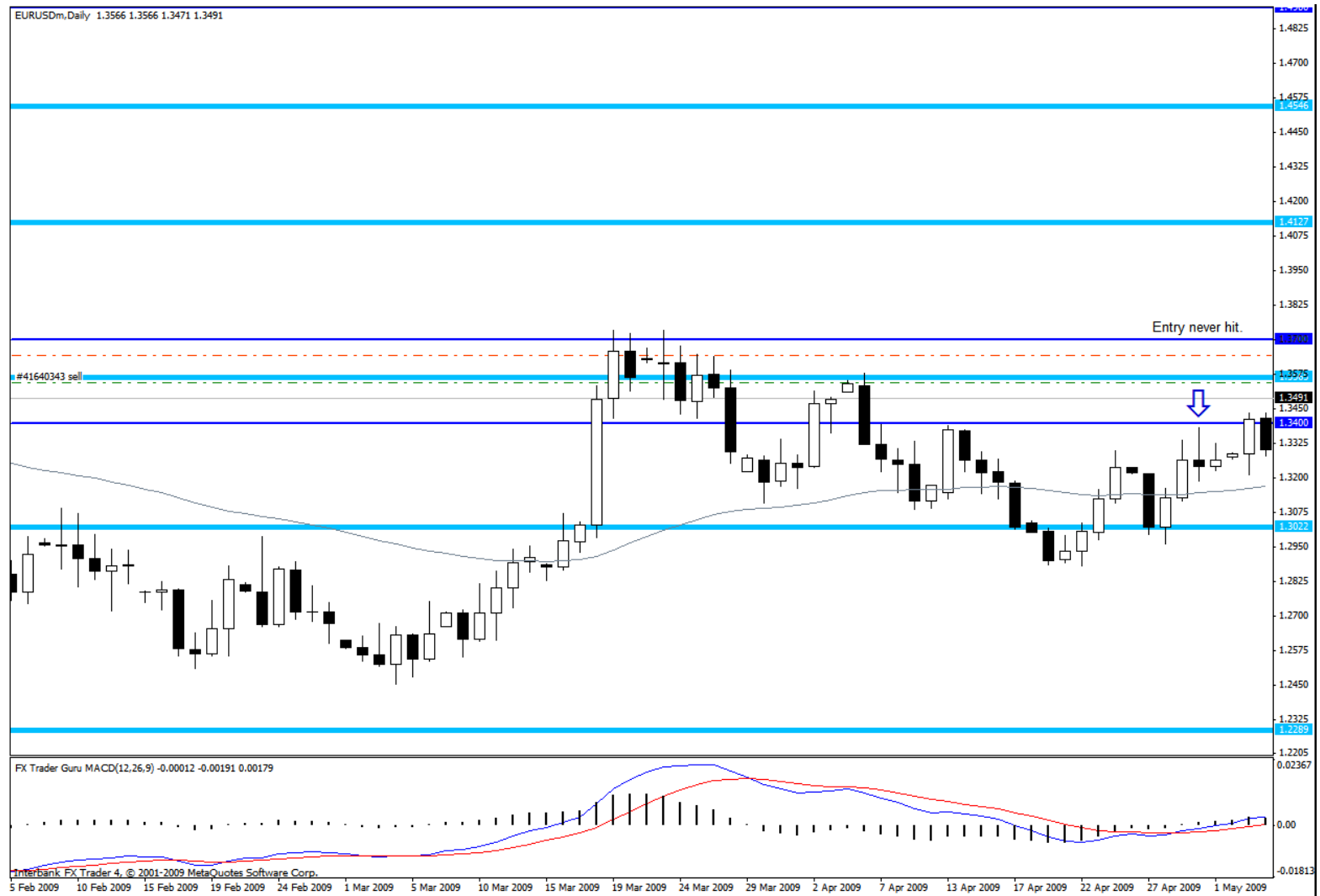
A higher low may be indicating a trend reversal. We will need to wait for a higher high to make sure. I may have taken this trade based on the proximity of the 55 MA. I have found the 55 to be a very reliable indicator on the EUR.



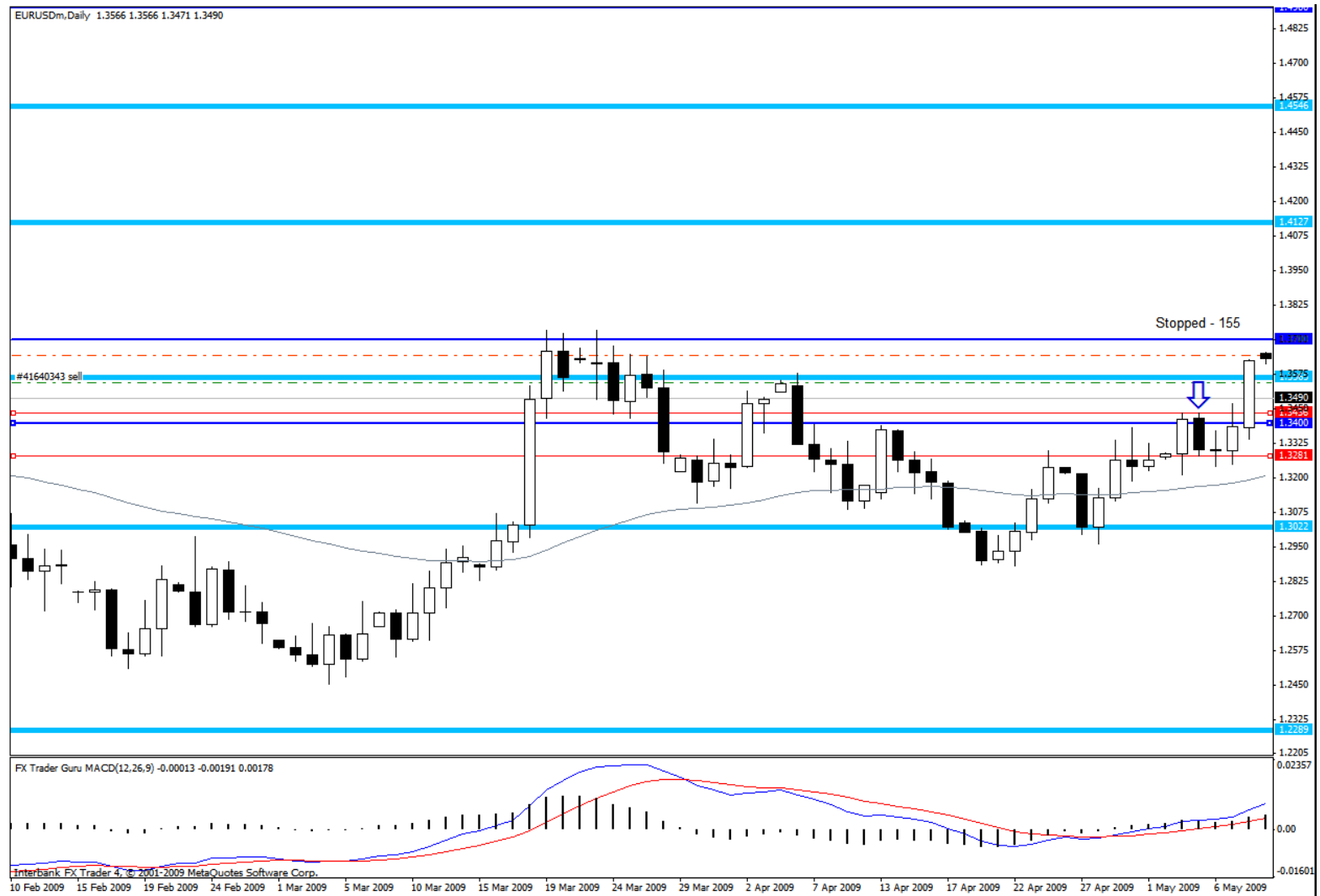
Here is an example of a ranging market that made me a bit wary. I waited for a lower high combined with a signal at S/R and it worked out.



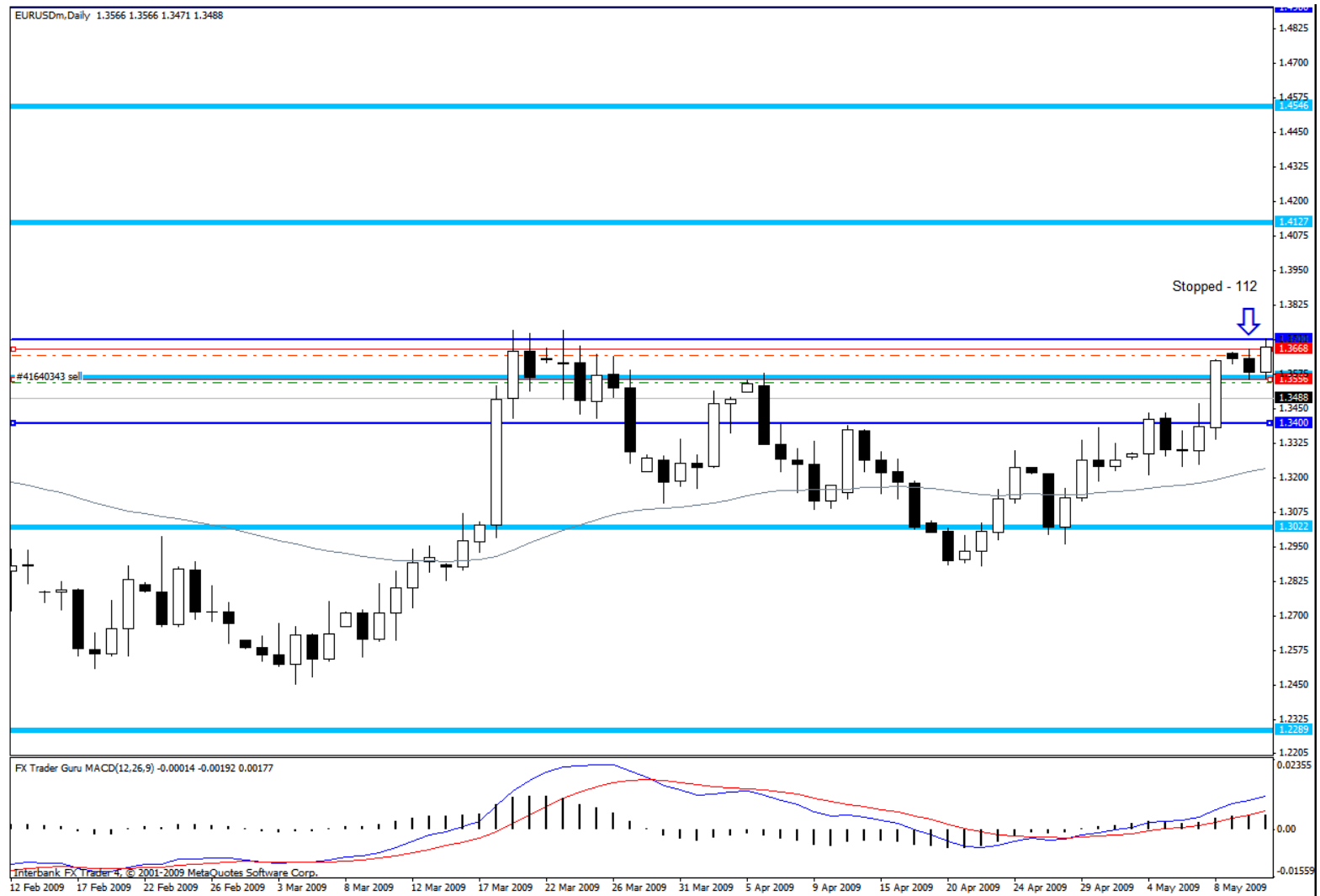
This pin formed at S/R so I placed a sell stop just below the low. It did not get hit, and it kept me out of a loser.
This is an argument against direct entry. I like to wait for a break of the H/L.



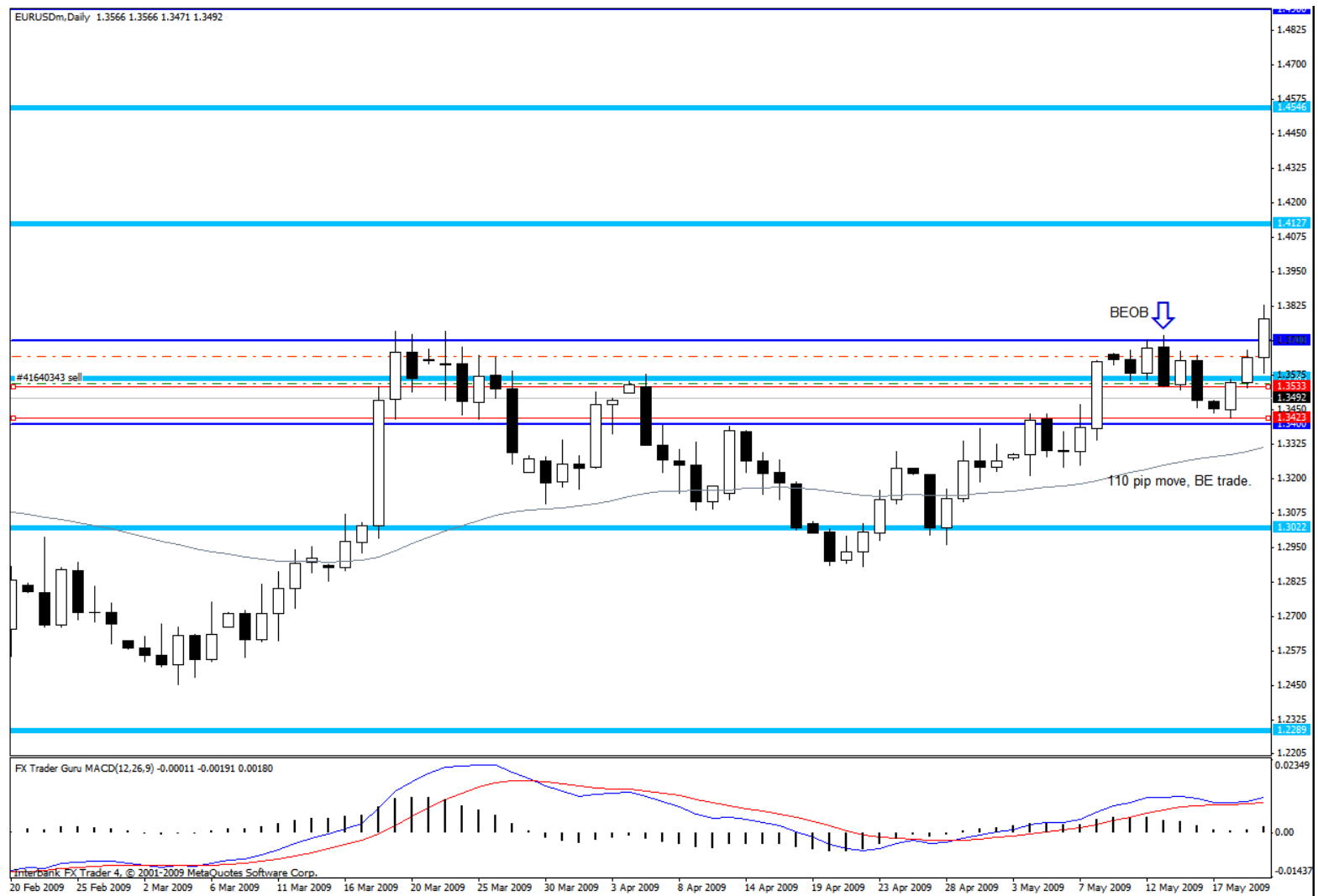
Here is a loser. The higher low may have been a warning. I was looking at the test of S/R during a down trend, but I may have miss read it. Or it was simply a losing trade and I need to move on.



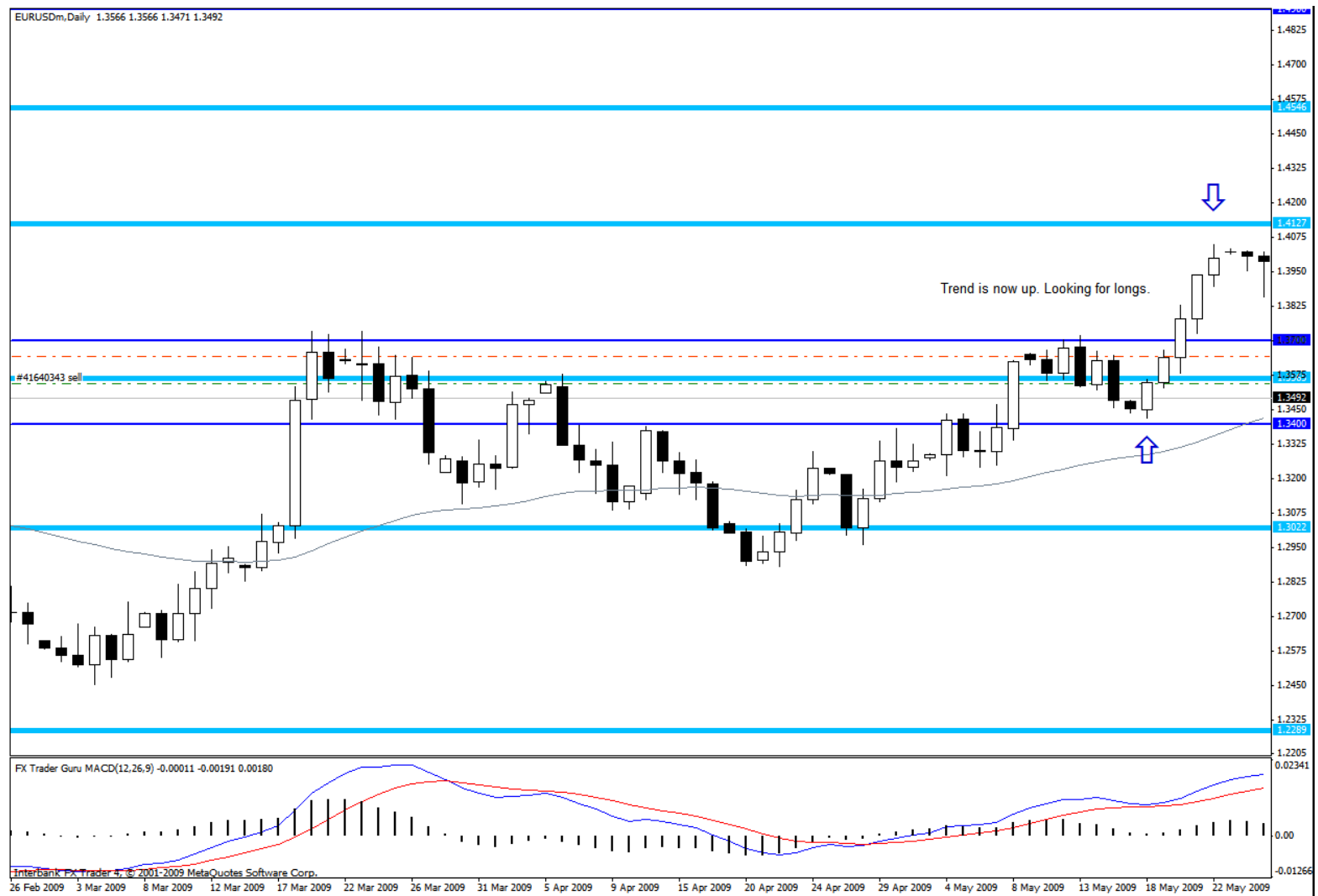
Here is another loser. I seem to be fighting an slow reversal. Once again we are at S/R, but the market seems to be moving up not down.



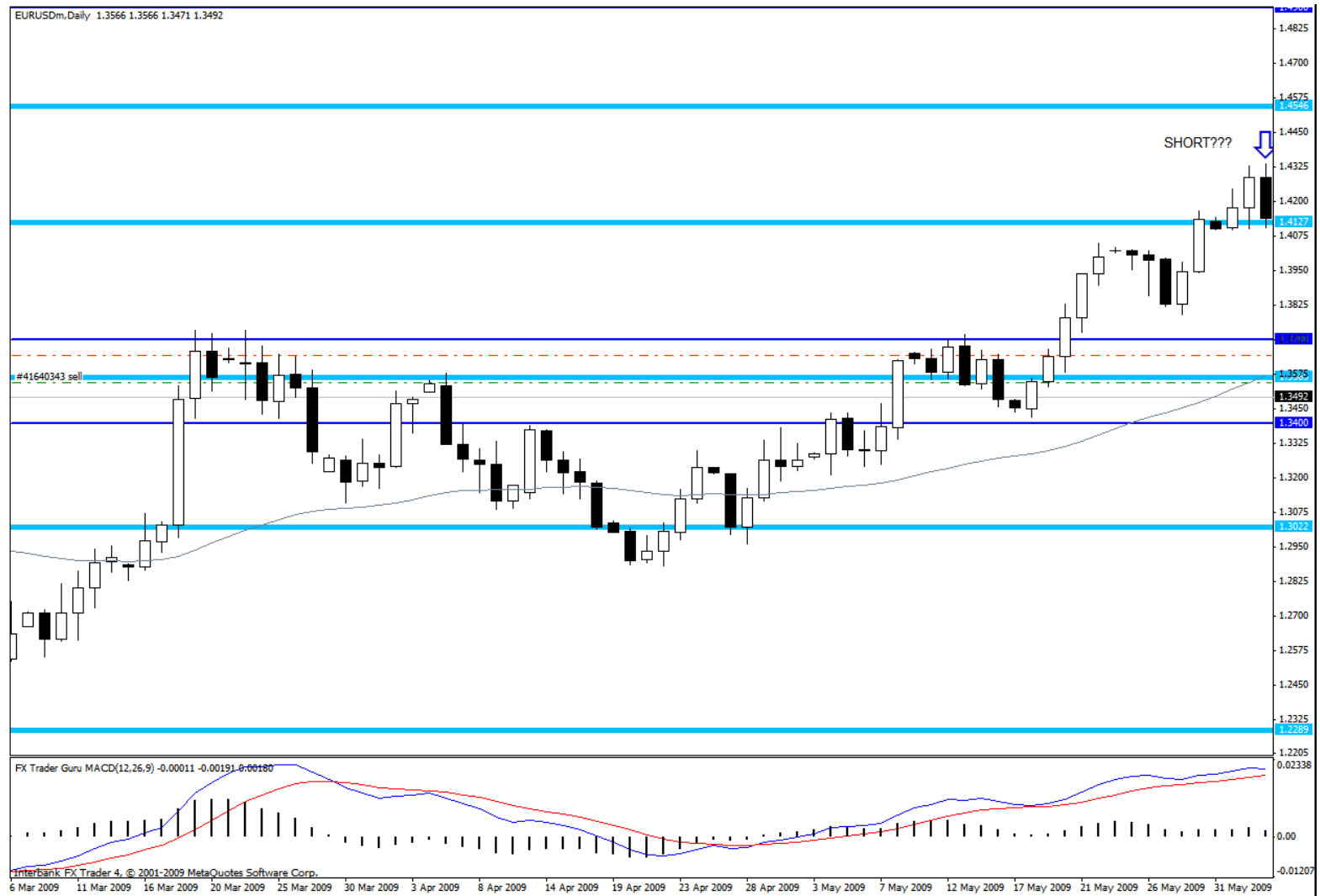
Right after my loss a BEOB formed so I thought the long orders had been shaken out of the market and we would resume the down trend. I was wrong but I count it as BE trade because the market went at least 100 pips in my favor.



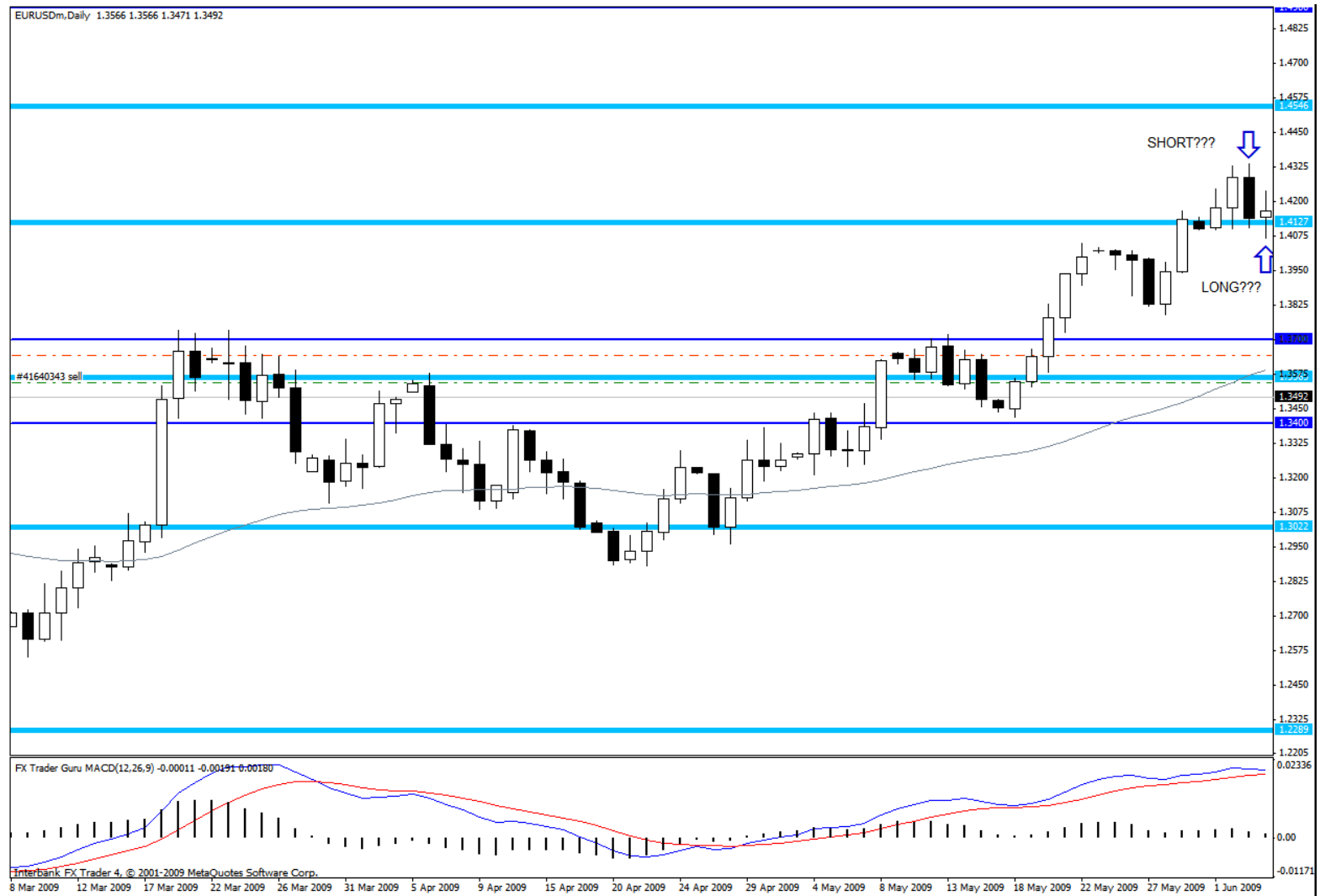
We made a new high. Trend is now up (as far as I can tell). This is a time when people will have to form their own opinion about trend based on higher time frames, fibs, etc.



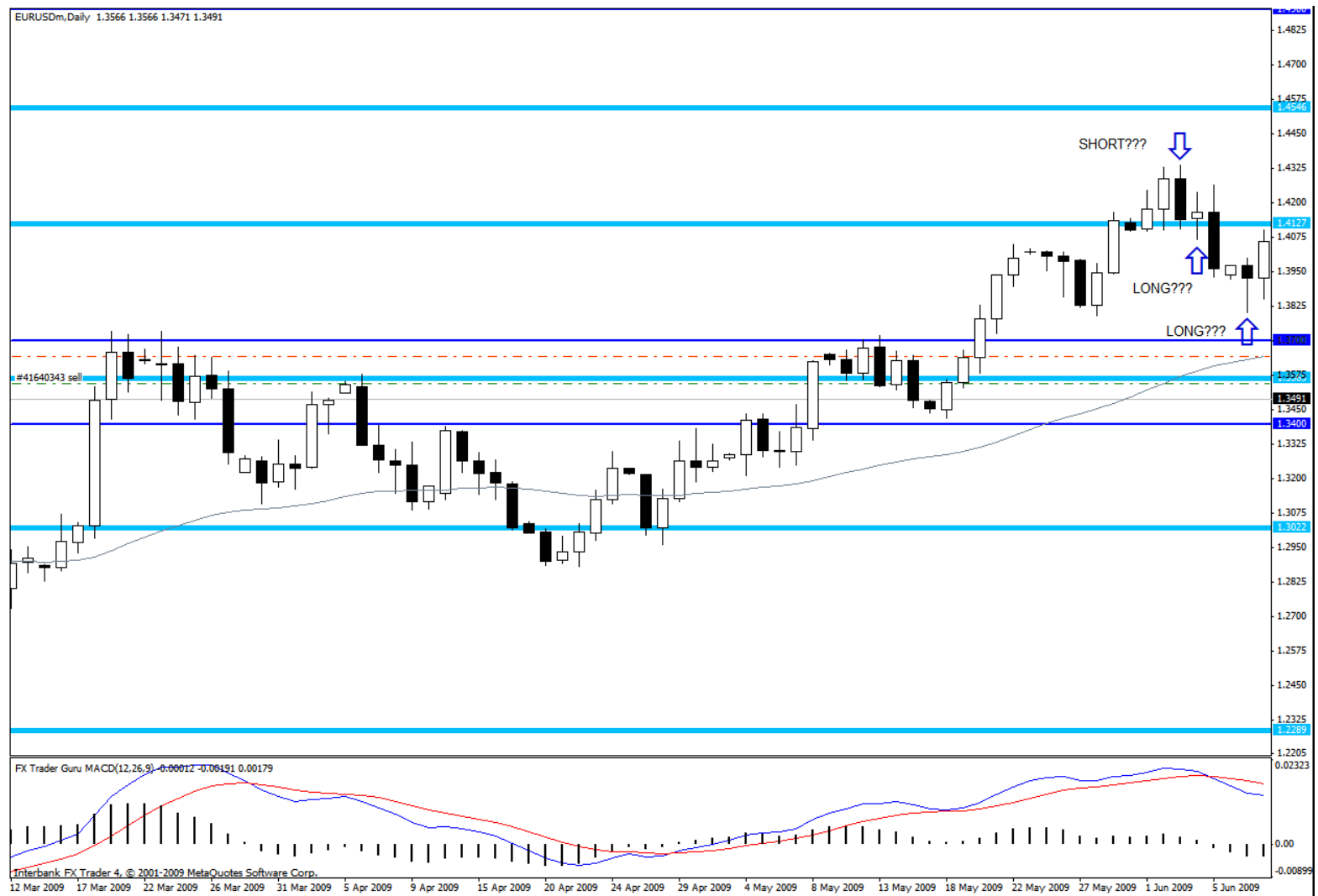
Short? I don't think so. Probably better to wait for a retrace and look for a long signal.
This is a good example of when I should wait for some clarity.



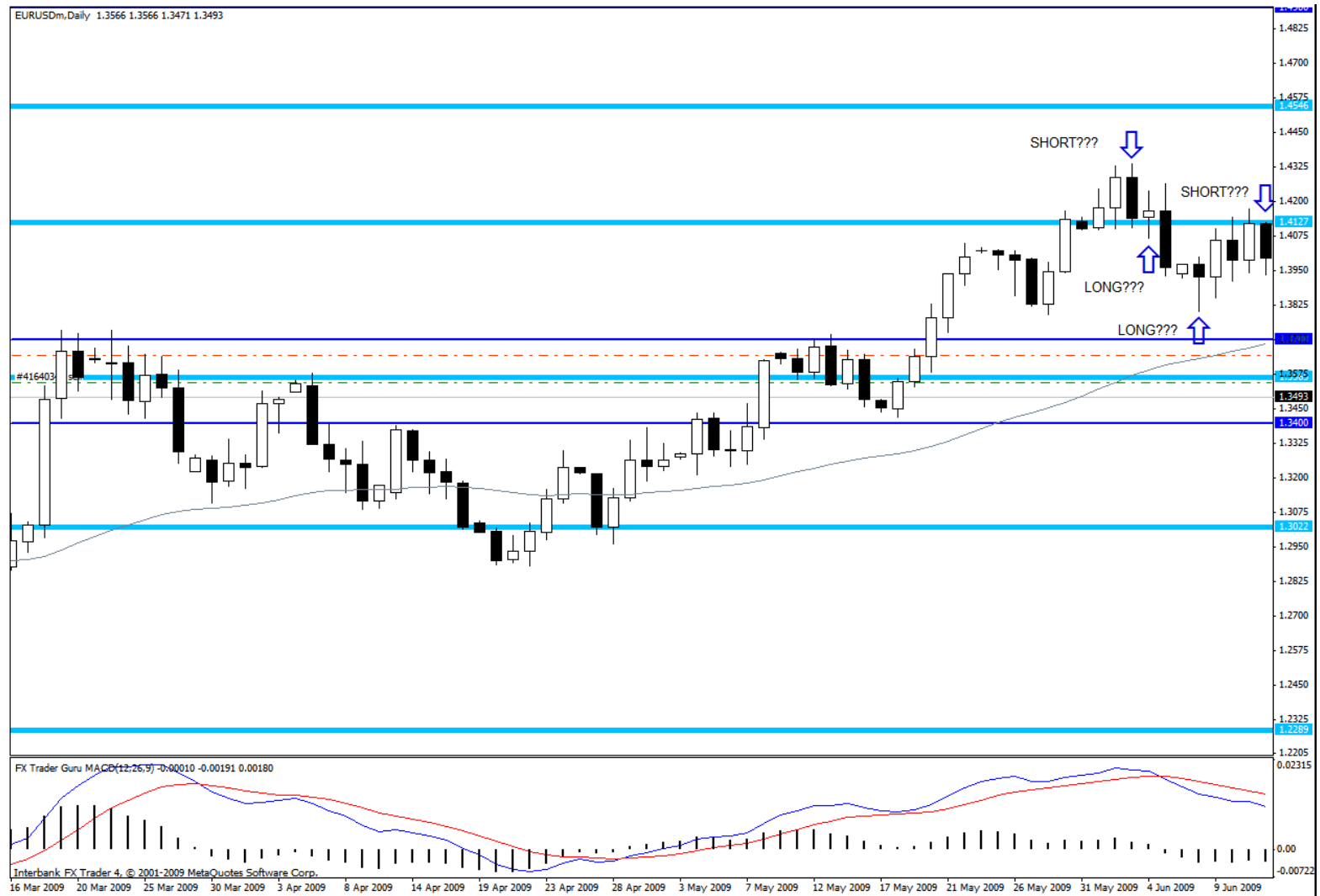
Still waiting for clarity.



It is hard to see on the chart, but this PIN formed right at 1.3950. It may be a good long signal but I am a little gun shy right now.



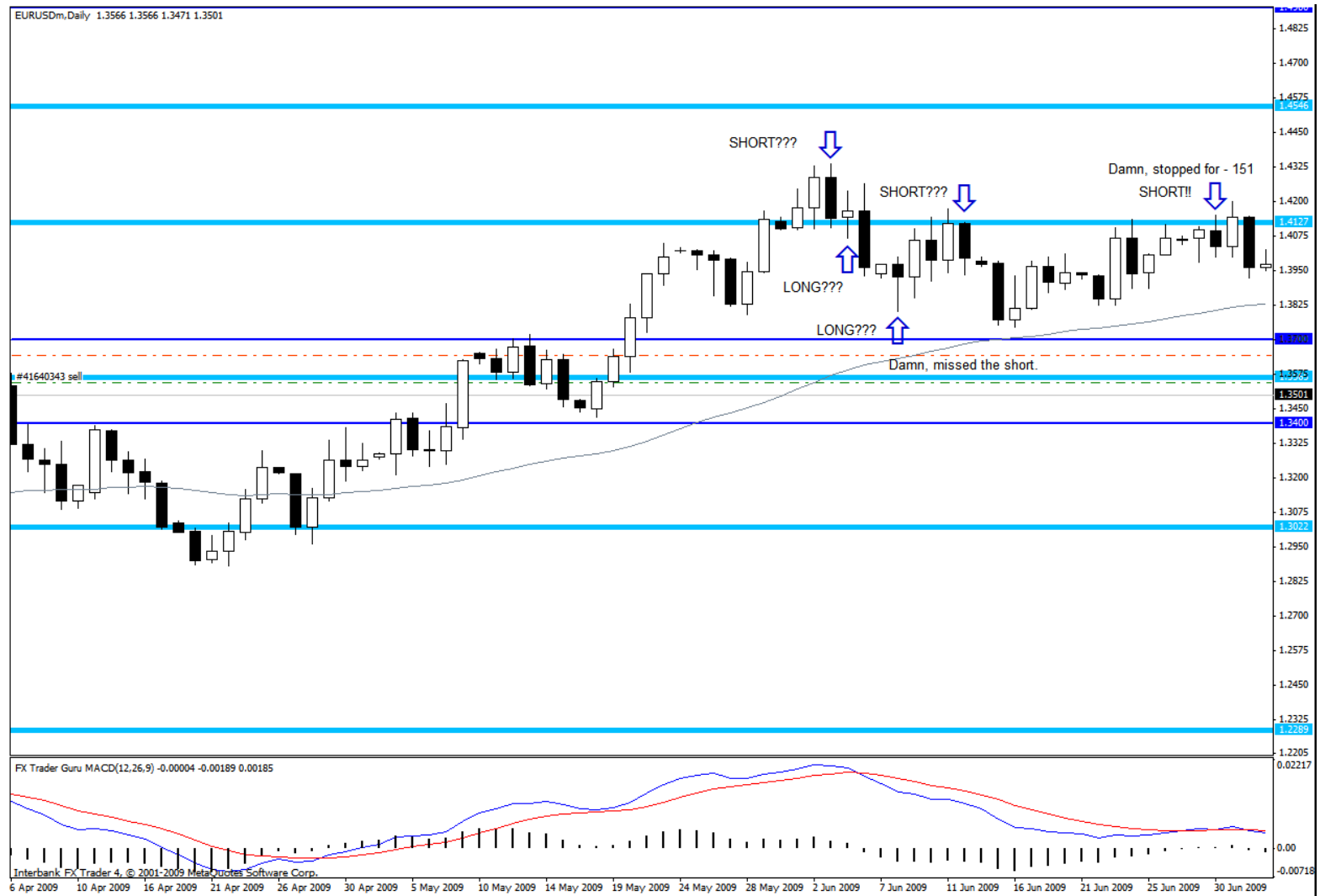
I see the price didn't really run up much. Although I may still be in a long if I had taken one.



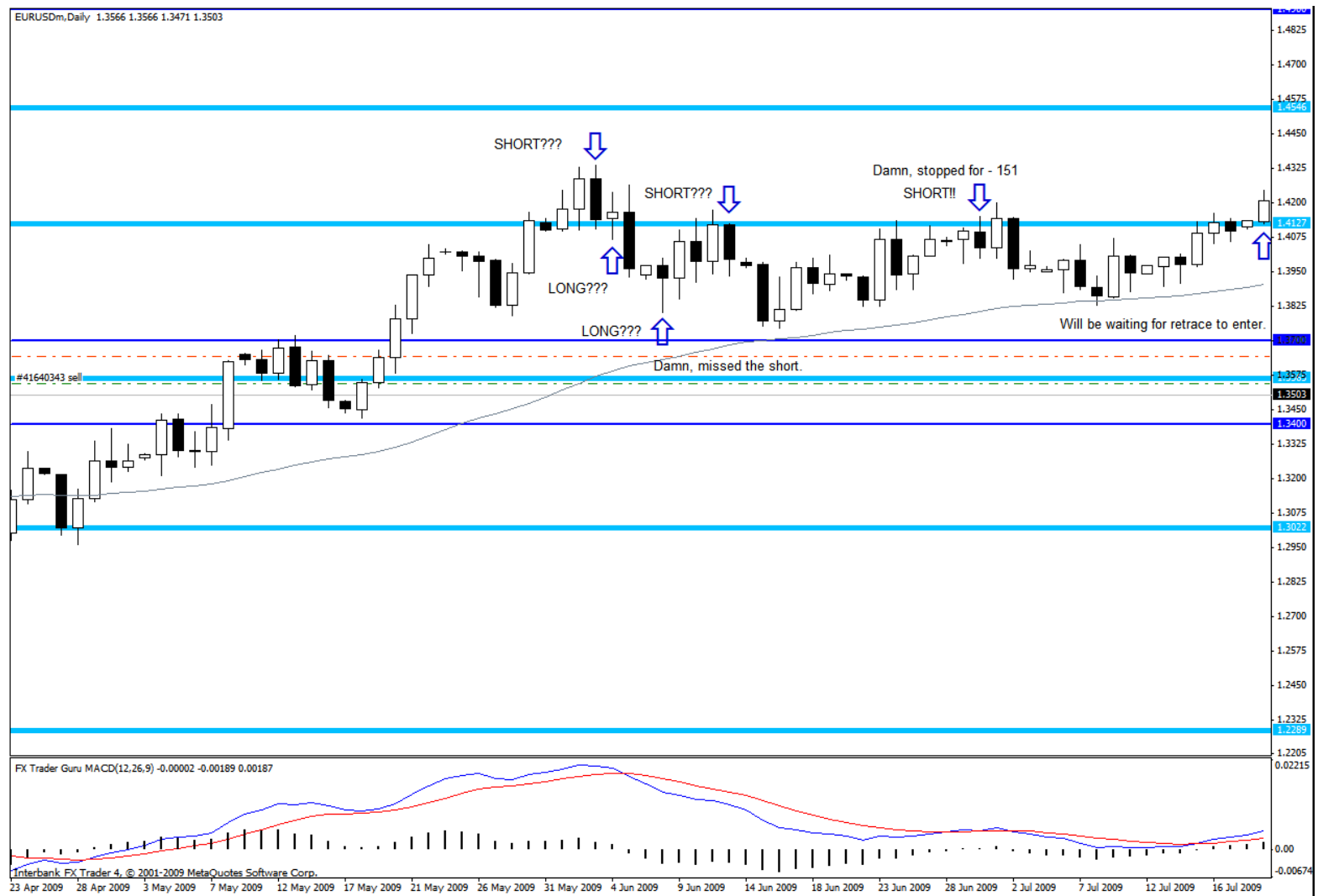
Missed a short trade. It was a break and a test of S/R but I was not sure about the trend.



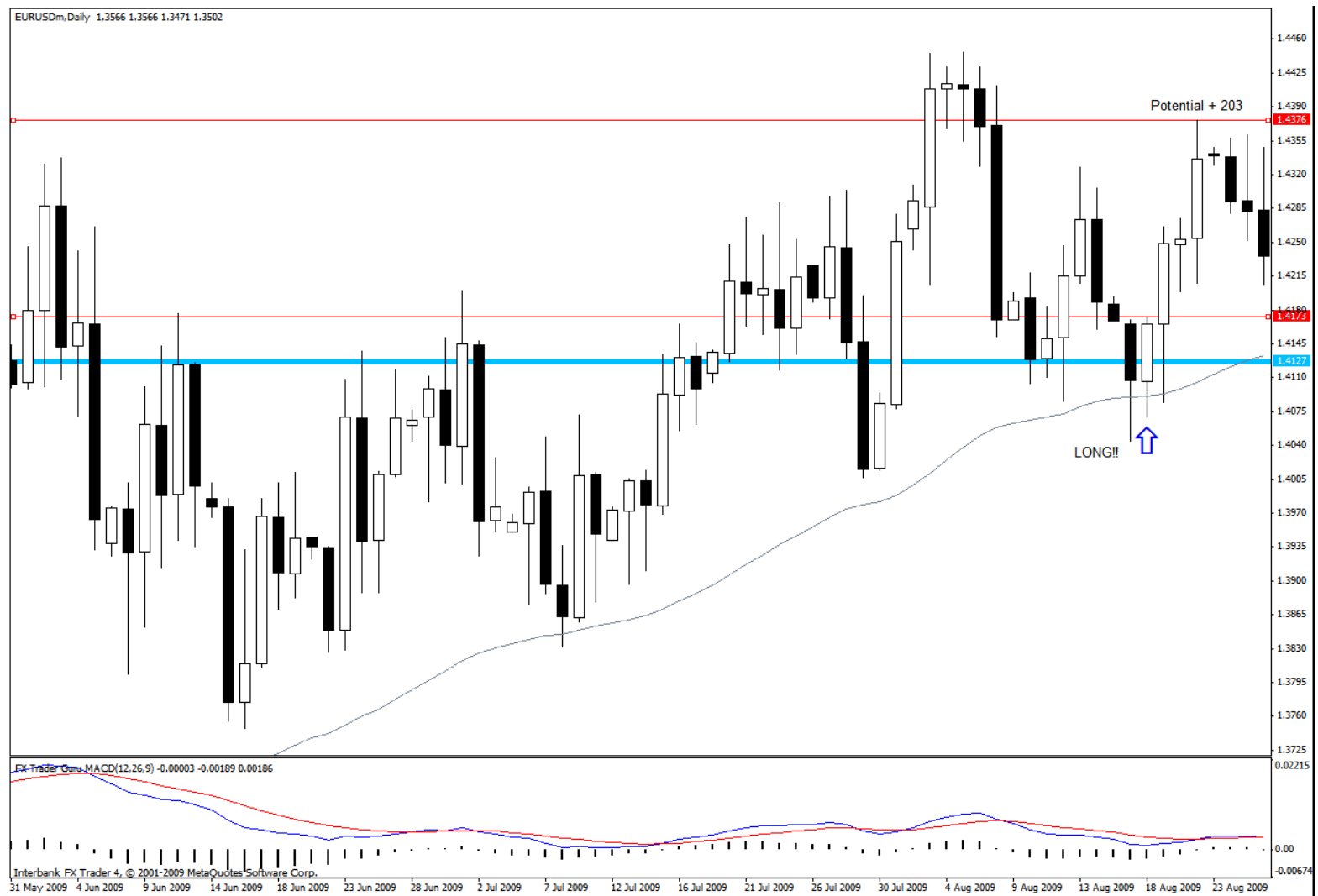
So now I short and get stopped for a loss of -151. Maybe the trend is up.
Let's see what happens next.



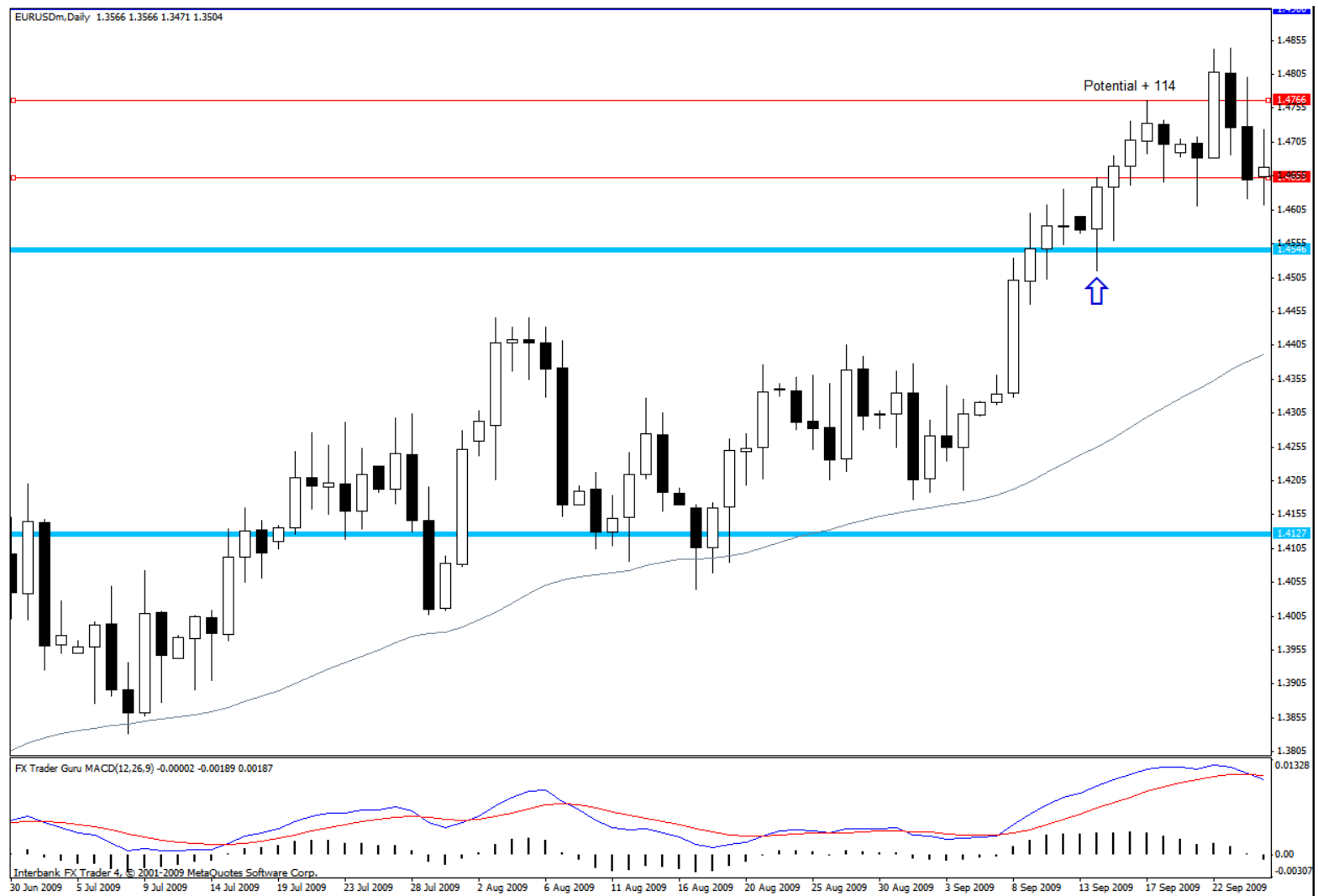
It looks like the up trend is continuing. I think I'll wait for some confirmation, and maybe a retrace to enter.



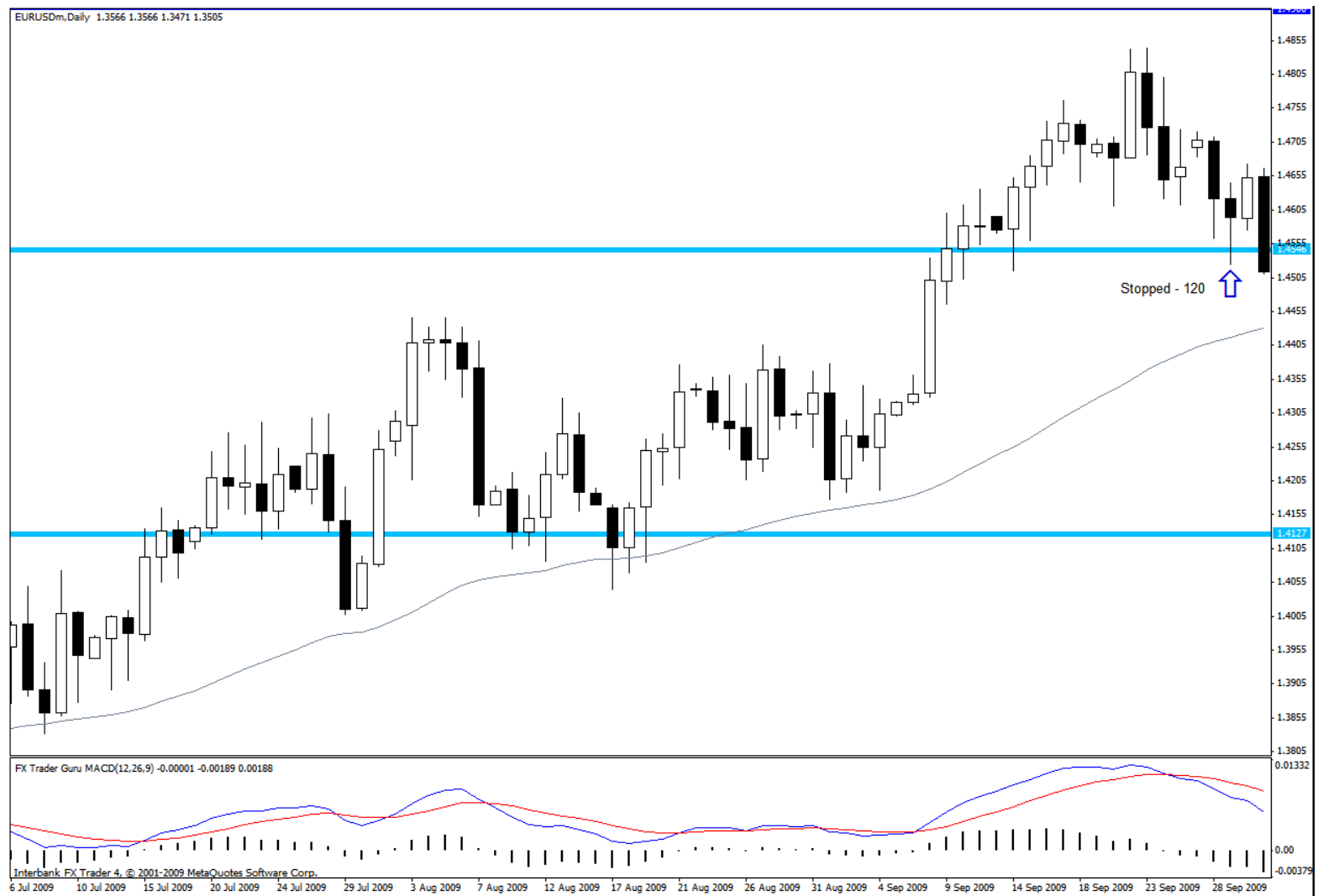
I took a while but I finally got a signal I was confident with. I should have left the other arrows on for reference, but you can see the bar that touched the 55 MA on this chart and the previous. When you see the next chart you'll see that there was a lot more potential profit.



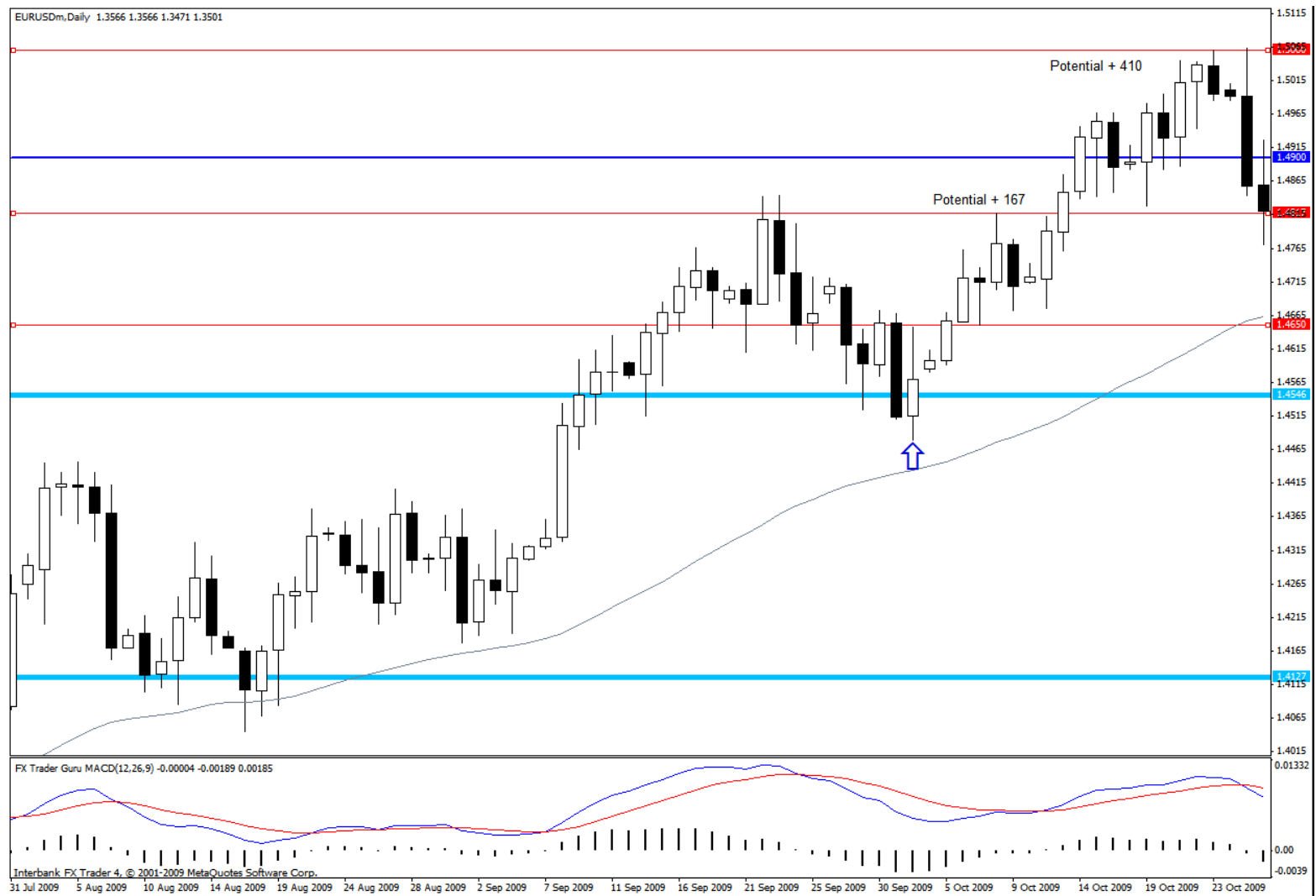
Here is a nice set up. The price broke resistance and then tested it as support.



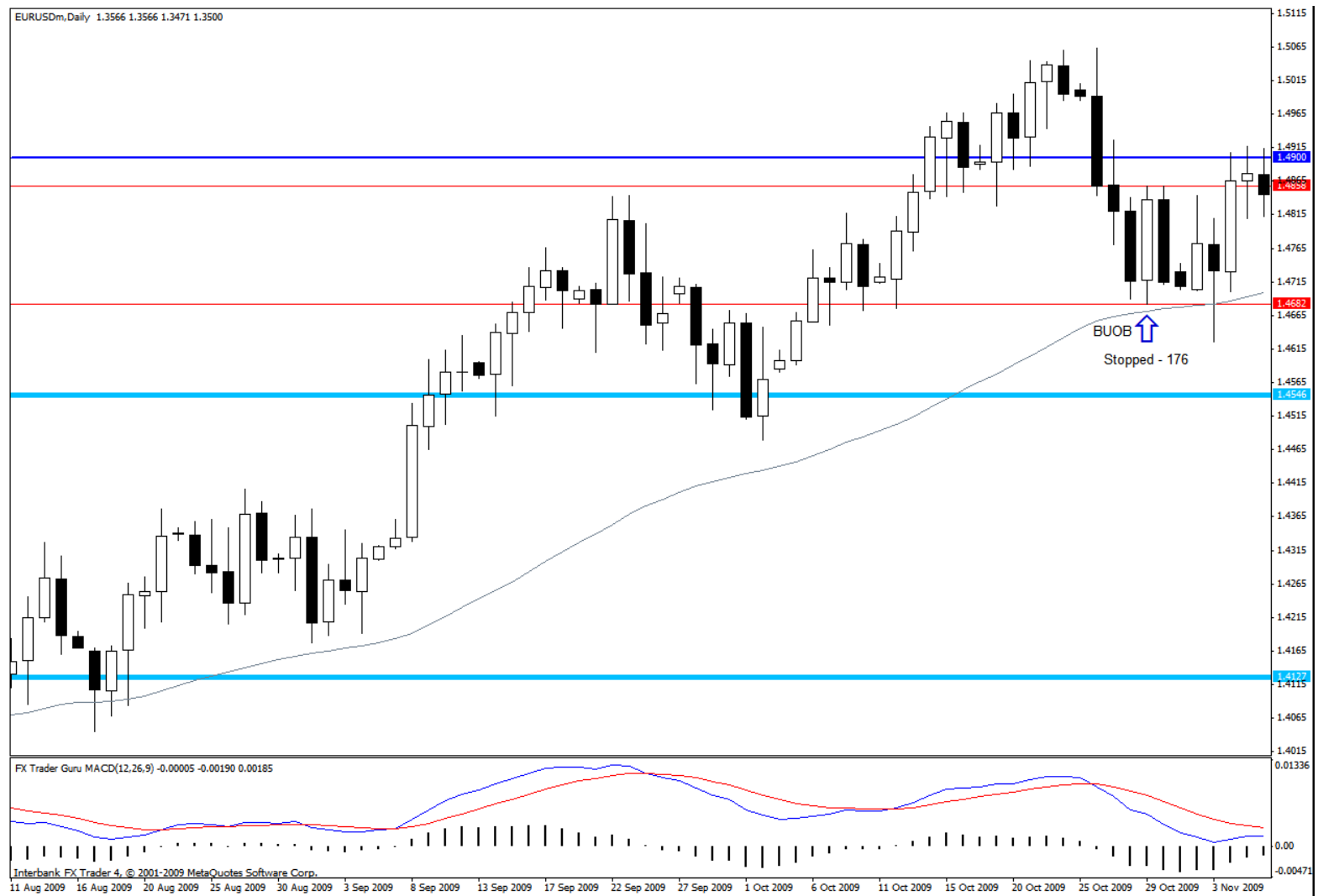
I thought that this would be another bounce off of the same level, but this one did not work out.



When support held I figured that we could see some upside so I got in on the break of the high.
Depending on stop management there was potential for a nice profit.



BUOB at 1.4700. It didn't work out though.



Here is a PIN with the trend at a round number and the 55 MA. The market seems a bit confused here, but I am trading with the trend.



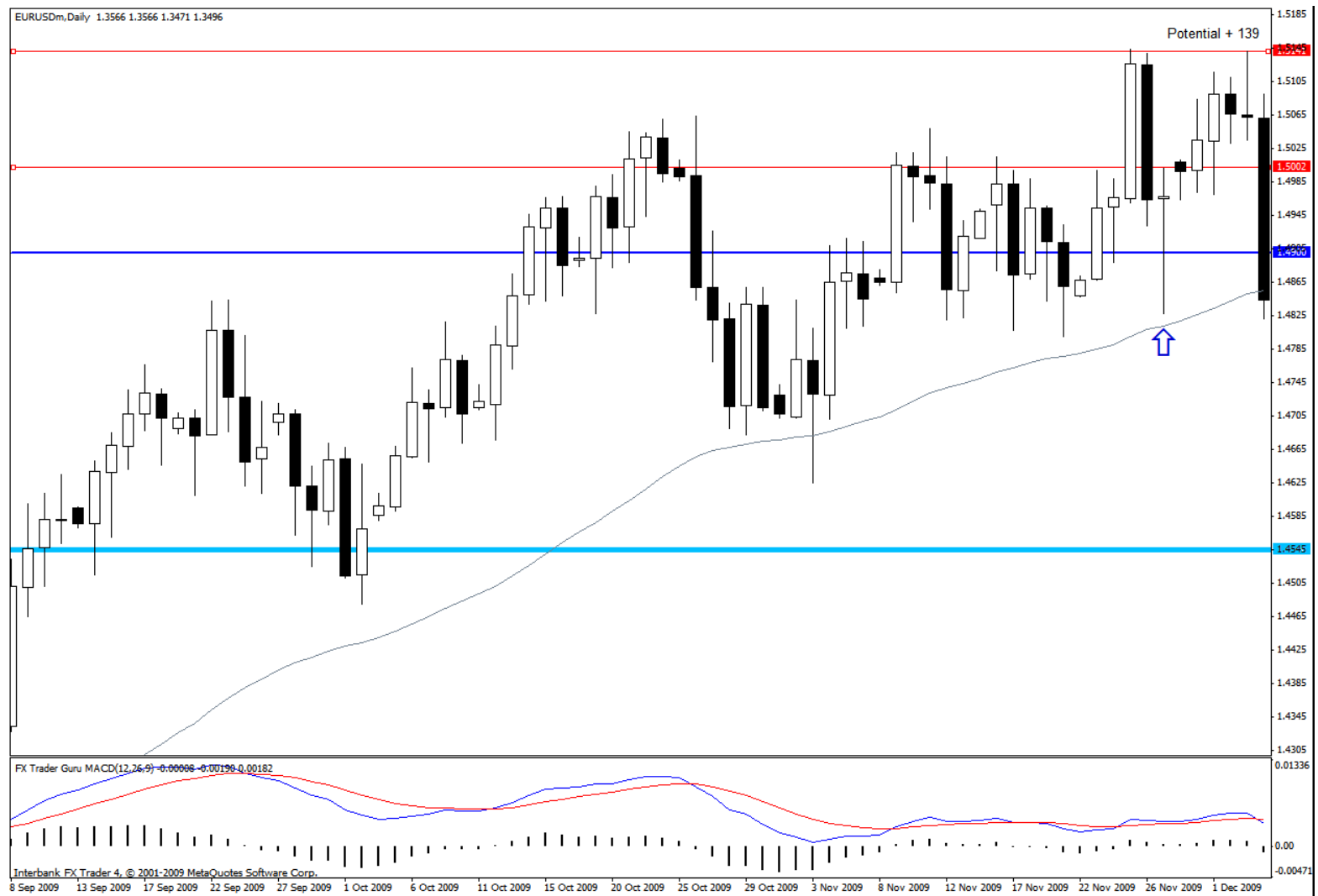
This looks like a continuation signal to me. I have noticed that PINs at S/R can signal continuation of a trend.



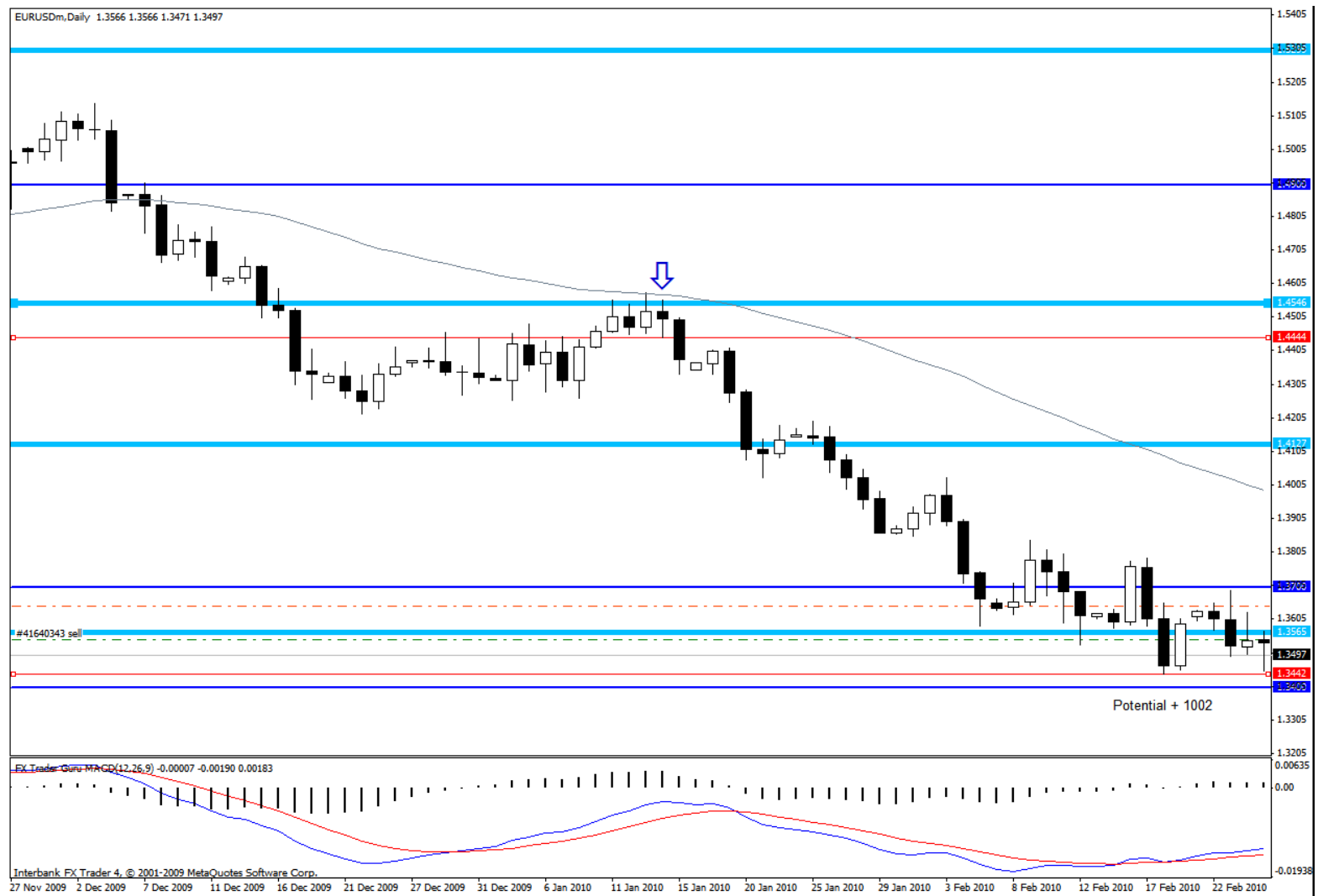
I guess I should have taken it. Maybe next time.



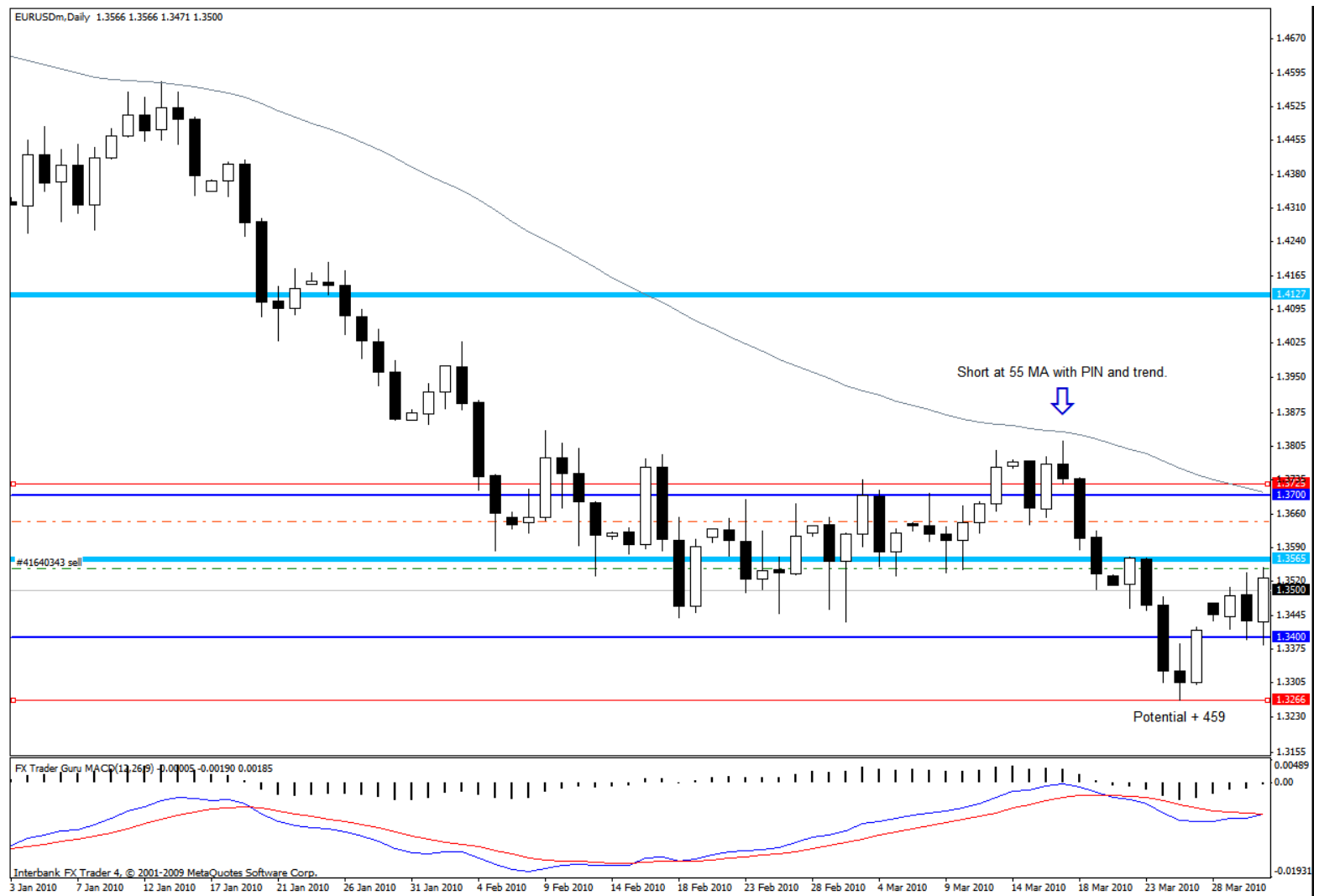
That is quite a PIN. I have a feeling there may be some news behind it. It turned a small profit, but it is surrounded by warning signs.



The market turned and dropped for about 2 weeks before generating a clear signal. I waited for the second before entering. A potential profit of just over 1000 pips. It begs the question, 'How good is your stop management?'



Another trade triggered by a PIN, round number and the 55 MA.



A BEOB right at S/R, for a nice gain.

