



Trading is as simple as 1-2-3

Highest Open / Lowest Open Trade

When price is above an open, it is up. Conversely, when price is below an open, it is down. It is a good idea not to short when price is up and not to buy when price is down. Naturally, most traders look for reversals but are impatient and trigger happy thus buying when they should be selling and vice-versa.

A sell below the HI open of the bar immediately following the bar making the highest high would have resulted in profit. In summary, a bar makes a high and closes. Next bar fails to make a higher high and reverses. Sell when price drops below the open price of the current bar.

A buy above the HI open of the bar immediately following the bar making the lowest low would have resulted in profit. In summary, a bar makes a low and closes. Next bar fails to make a lower low and reverses. Buy when price rises above the open price of the current bar.

Please understand none of this is original or new and this is presented for EDUCATIONAL PURPOSES ONLY. You may find your results may differ. Please check with an accredited financial specialist before using real money. FOREX trading can be risky. YOU HAVE BEEN WARNED! 🙅

HIGHEST OPEN/LOWEST OPEN TRADE H1

1) Did a new daily high or new daily low happen last Candle?

If YES/TRUE go to question 2, otherwise find another pair

2) Did this Candle test the high or low of last Candle?

If YES/TRUE go to question 3, otherwise find another pair

3) Has price returned to the open price of the current Candle?

If YES/TRUE trade in the direction price is crossing the open away from new daily high or new daily low towards daily open

4) Otherwise, do not enter the trade.

\$\$\$ HIGHEST OPEN/LOWEST OPEN TRADE \$\$\$

0) USE COMMON SENSE! AVOID FREIGHT TRAINS

1) No entry on H1, M15 or M5 Breakout Candles

2) No late entry not even 1 pip

3) M5 Candle must open between H1 open and extreme

4) BE+1 better than a loss

5) There is always another chance or trade

6) One trade per candle

7) DO NOT WAIT FOR CANDLE TO CLOSE

8) SELL AT HIGHEST OPEN/BUY AT LOWEST OPEN

THE INDICATOR



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Highest highs have red caps. In summary, a bar makes a high and closes. Next bar fails to make a higher high and reverses. Sell when price drops below the open price of the current bar.

Lowest lows have blue socks. In summary, a bar makes a low and closes. Next bar fails to make a lower low and reverses. Buy when price rises above the open price of the current bar.

These are the #2 candles of the 1-2-3 pattern.

Use your own discretion in deciding when to trade.

Sell: Highest highs have **red caps**. In summary, a candle makes a high and closes. Next candle fails to make a higher high and reverses. **Sell** when price drops below the **open price** of the current candle.

Sell entry point: Brown line at current candle [O] open. Early entry or

Sell entry point: Brown line at current candle [O] open. Early entry or wait for next bar.

buy entry point at the brown line, after price made a new daily low this candle [O].

The **PREVIOUS DAYS High and Low** prices are important, as they indicate a "possible" **breakout of price**. REVERSALS FROM BREAKOUTS SHOULD BE TRADED WITH CAUTION.

Buy: Lowest lows have **blue socks**. In summary, a candle makes a low and closes. Next candle fails to make a lower low and reverses. **Buy** when price rises above the **open price** of the current candle.

when do you ensure that there is no loss? Set your stop loss at breakeven +/- spread.

Subtract 1 Pip or 10 Points from the Break-Even Point

Add 1 Pip or 10 Points to Break-Even Point

Trading is as simple as 1-2-3. Knowing 3 things, **open, high and low**, is sufficient. **Current open, high, low** tells me what price has done and where the current price is relative to those 3 points. Before computers and the internet, this was the only information available. Many a fortune was made.

HIGHEST OPEN / LOWEST OPEN TRADE

Place a line at the highest H1 open and lowest H1 open for the current day.

Sell short at the highest H1 open after price goes up through it and comes back down.

Buy at the lowest H1 open after price goes down through it and comes back up.

Stop loss is the current daily high or current daily low.

Adjust your position size accordingly.

Take profit by moving stop.

When trade is +5 or more, move stop to BE+1.

When trade is +10 or more, move to BE+5, or switch to trailing stop.

Optional exit is to exit part of trade position with a profit to bank it, move stop to BE+1 and watch the market.

NOTE:

Do not wait for the bar to close to enter a trade.

WARNING

When price breaks through yesterday's high or low or makes a new high or low today, that is a breakout! Trade the reversal with caution.

ADDED MAY 20, 2016:

Let me see if I can address areas of confusion.

First, read the rules.

Do not add anything to the rules.

Do not subtract anything from the rules.

Do not modify the rules.

Read the rules, again.

The first line: **Place a line at the highest H1 open and lowest H1 open for the current day.**

Current day means today according to your broker.

My broker starts a new day at 5PM NY time which means when it is 5PM, I have to move the lines.

The second line: **Sell short at the highest H1 open after price goes up through it and comes back down.**

Price has to **GO UP FIRST.**

Price has to **GO ABOVE** the highest H1 open.

AFTER, price has **risen above** the highest H1 open, **THEN AND ONLY THEN**, do you enter a short trade when price falls back down to the highest H1 open.

The third line: **Buy at the lowest H1 open after price goes down through it and comes back up.**

Price has to **GO DOWN FIRST.**

Price has to **GO BELOW** the lowest H1 open.

AFTER, price has **dropped below** the lowest H1 open, **THEN AND ONLY THEN**, do you enter a long trade when price rises back up to the lowest H1 open.

The most difficult thing about this method is you have to **WAIT.**

For many traders, waiting does not come naturally.

Failure to wait, will in most cases, result in losses.

I suggest you literally sit on your hands while you wait to avoid entering a trade too soon.

ADDED MAY 27, 2016:

This may help those who are trigger happy to wait:

M15 bar must open **below** the lowest H1 open **before** you can enter.

M15 bar must open **above** the highest H1 open **before** you can enter.

Price will be moving in your direction when you enter the trade.

The HIGHEST OPEN / LOWEST OPEN TRADE system is a derivation of the *Trading is as simple as 1-2-3*.

The entries are sometimes the exact same but this system, more often than not, gives more trading opportunities.

No claims are made for making hundreds of pips per trade.

Trend, support, resistance, etc, are ignored.

Price action reversals from the daily high/daily low are what makes this system a winner.

So to place a trade you use 5m chart and when 5m candle closes above 1h lowest open you enter a trade? In case of buy trade.

No, I usually look at the H1 bar chart and look at the time on the clock. I can see what time it is.

At X:05 price above the highest open means I can short when price comes back down.

Or at X:06

Or at X:11

Etc...

The M5 candle chart I showed with the H1 background was for educational purposes.

That chart is "too much", too distracting, for me to trade.

And one more question. Do you trade only NY session because it tends to revers intraday trend?

I trade the NY session because I live in the USA.

The news around 8:30 provides volatility.

I repeat each day this so new comers don't have to go back to the first post:

A bar makes a NEW DAILY high and closes. Next bar fails to make a higher high and reverses. Sell when price drops below the open price of the current bar.

A bar makes a NEW DAILY low and closes. Next bar fails to make a lower low and reverses. Buy when price rises above the open price of the current bar.

Let me rephrase in the form of yes/no or true/false questions.

1) Did a new daily high or new daily low happen during the previous bar. If YES/TRUE go to question 2, otherwise find another pair.

2) Did this bar test (get near) the new daily high or new daily low of the previous bar. If YES/TRUE go to question 3, otherwise find another pair.

3) Has price returned to the open price of the current bar. If YES/TRUE enter the trade in the direction price is crossing the open, otherwise do not enter the trade.