- [4,055]
- [Cleanup]
- [Quote]
- Mar 5, 2016 8:40am
-  [dove_alliance]
- Joined Jun 2007 | Status: Trading Live For The Last 14 Years. | [5,761 Posts]

This post is to prepare you for next week:

On this Daily screen shot notice the MACD crossing '0'. And on this candle when it got to EMA the SAR had attached. This was yesterday. On the next screen shot; which is today's candle the DB attached with the SAR for the uptrend, Magenta Divergence had attached, and the Lime Green Arrow pointing up.

Attached Image (click to enlarge)

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What you have going here is the White crossing Purple eliminating the Parabolic as resistance and the candle got above the Parabolic. You now have DB/SAR for the uptrend and Magenta attached for the uptrend. This is also happening before the Smooth crossing and also before the EMA crossing.

There are only two scenarios with this situation:

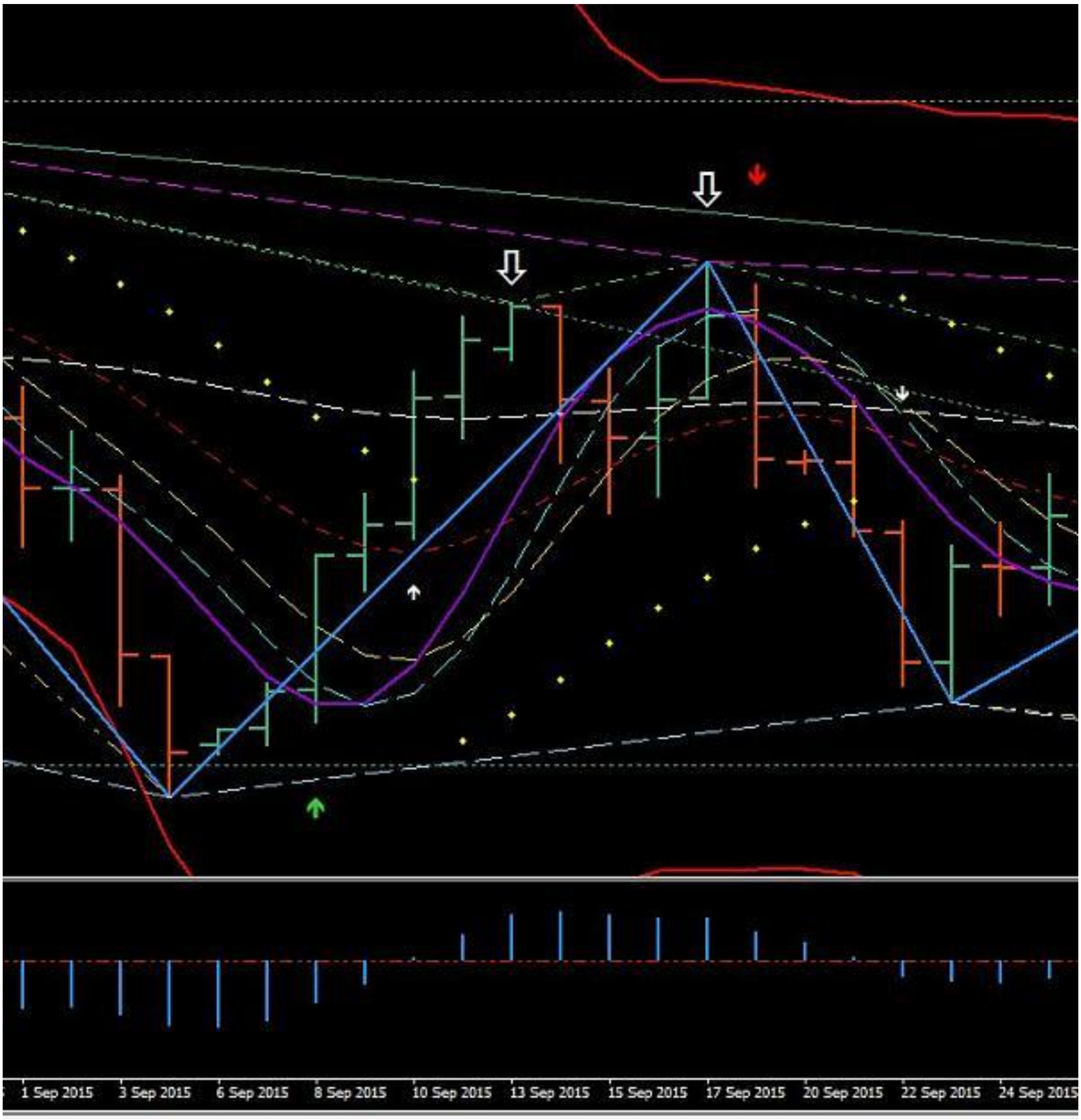
Scenario 1: The 2 hour can take the Daily into a retrace with a reverse 2 hour swing and/or a slider.
Scenario 2: The 2 hour will keep the 1 hour in the uptrend with sliders of the 2 hour in the trend.

Below is an example of Scenario 2:

The DB/SAR and Magenta had attached around the location of EMA or the Parabolic. In trend with the Daily you do not get many retraces showing with opposite color candles, so usually one retrace candle will be showing before the Green Divergence come into play.

On the first arrow to the left you have the Divergence attached for the retrace and Traders; this attachment will not show. But you know it is there with the retracement. Usually the retracements targets are with the Fibo on the Daily. And on this example there were multiple candle retracements before going back into the trend. On the next arrow you have the candle getting ABOVE the first arrow candle and the Green Divergence had shown itself with the attachment of ending the trend. This is the only time the Divergence will show is when the trend has ended.

Attached Image (click to enlarge)



Below is an example of Scenario 1:

On this Daily below is showing a very heavy sideways consolidation. And the reason for this consolidation is because the SAR did not attached with the DB. Which meant; once the Magenta Divergence had connected was also the ending of trend. This most often happens above the 61.8 Fibo. And ROMAR plays a heavy role of the consolidation when it is traveling downtown central through the candles.

And please, do not ask me to explain it. Even I would not trade this kind of consolidation. This is on a Daily chart so the 2 hour is what you will be trading.

Attached Image (click to enlarge)

Since the SAR is attached with the DB then Scenario 2 is what you are looking for next week according with the Daily. So trade within the rules and you are good to go.

The Dove - Forex Trainer