

**DON'T TRADE BETWEEN GREEN LINES - STAY OUT OF THE MIDDLE - PRIMARY TRADES ARE THE EASIEST TRADES**

I use the farthest lines out from center for the more volatile currencies and the inner lines from center for the less volatile currencies. I will take trades inside the gold lines for the EUR/USD or CHF/JPY that I wouldn't touch with GBP/JPY. I like seeing it outside the lines to trade that one.

**If the blue Sto line is greater than the MACD red line- you are in an up trend and if it is less than the red line you are in a downtrend.**

Above 85 or below 15 you are nearing turn around territory - When blue line crosses red you have a change of direction in price action.

The one rule you cannot disobey - Do not enter trades unless the blue line is near, above/below the 85/15.

**TRADING RULE:** When the red, white and blue line are converging together above the 85 yellow line or below the 15 yellow line and price is at the top/bottom of the gold lines sixth indicator, you are nearing you entrance point, you will want to turn on the sell or buy EA to enter the trade.

These are nice and easy to read and do trades

**If The Above Criteria is Met Then Pending Trade is Imminent**

So Version 5 Primary trade SELL rules – We use (SELL EA #1) are:

1. When the RWB lines are bunch together above or near the 85 line,
2. The top of the BB is well above the green line of the sixths indicator or anytime above the gold line.
3. Price is inside the BB outer band
4. You will turn on the sell EA, and let the EA enter the trade when price hits the BB upper band.
5. After price has entered you will then follow the rules for taking profit (TP) or the 2.4.2 recovery system.

Version 5 Primary trade BUY rules - We use (BUY EA#1) are:

1. Just the opposite of the buy rules. When the RWB lines are bunched together near or below the 15 line.
2. The bottom of the BB is well below the green line of the sixths indicator or anytime below the gold line.
3. Price is inside the BB outer band
4. You will turn on the Buy EA, and let the EA enter the trade when price hits the lower BB band.
5. After price has entered you will then follow the rules for taking profit (TP) or the 2.4.2 recovery system.

Knowing how to read the white line as compared to the blue is a key to trading this system - If white and blue go up/down together, the tighter they are the stronger the move, the longer you want to stay in - The farther apart they are, the weaker the move, the less time you will want to stay in the trade. If white line moves, but blue doesn't **GET OUT.....**

**ONCE PRICE HAS MOVED INSIDE THE GREEN LINES YOU ONLY WANT TO BE TAKING PROFIT, YOU DON'T ENTER TRADES THERE. THIS IS WHERE THE AVERAGE TRADER GETS HIS BRAINS BASHED IN.**

THE #1 EA ENTERS WHEN PRICE HITS THE BB OUTER BAND. THE #2 EA IS FOR TRADES THAT GO OUTSIDE THE BB.

**Set-up** – Price breaks outside the BB, and goes well beyond because of a spike caused by some news story or bank / broker move. The #2 EA is based on a 1MA being outside the BB, **so don't turn this EA on until the 1 MA is well outside the band.**

A code activates the EA, which reads when the 1 MA is greater than the outside BB – (the trade will not be entered) and then the code reads when the 1 MA is inside the BB – (the trade will then be entered).

**If the 1MA is inside the BB this EA will not work and carries a magic number of 2.**

**HUGGIE RULE** - The Huggie rule is to watch how the green line 1MA interacts with the BB - **HUGGIE RULE**  
When price runs along the band, the 1MA will run equal with it and they basically touch each other during the run.

**We do not turn on the EA when we see this.** We want to see a clear break of price action and some separation of the 1 MA from the BB band. If we don't get it we don't want to trade because most of the time you will be in a BB runner.

These were the killer trades of Version 1, and why we changed to a MA cross in version 2-4. We now have an indicator telling us this is a BB runner so stay out.

**So to reiterate** - When you see the 1MA is running almost exactly the same as the BB, most of the huggies will come from the middle of the chart, and are recognizable, this is a **no trade scenario**. Do not turn on an EA until price stops doing this.

**Just stay out. It is an ugly trade. Just stay away from the huggies. They are not showing any precise entry point.** We need separation from the BB by price spike for the 1 MA to do its job. That is when we turn the #2 EA on and let it enter the trade.

**The good news is we finally have two filters to help with the BB runners.**

The sixth EA keeps us out of the middle of the chart; Version 1. did not do this. We had entered too early on some trades, and that caused problems with BB runners. The 1MA median keeps us from entering too early by waiting for it to separate or we see a price spike to give us a reason to enter.

THIS MAY BE THE BIGGEST IMPROVEMENT WE HAVE FOUND IN THE VERSION 5 SERIES

**THE #3 EA IS FOR WHEN THE OUTER BB GO OFF THE SCREEN OR ALMOST OFF SCREEN**

**First let us define a BB bulge. It is when there is a BB run up or down, and the outer bands then bulge out way past price action, and may even go off the screen.**

**The #3 EA operates differently than the #1 & 2 EA. The #1 EA enters when price hits the BB outer band. The #2 EA is designed for trades that go outside the BB.**

**The #3 EA is for when the outer BB bands go off the screen or almost off the screen. It can take 1 or 2 weeks before they come back to normal again. Are we going to let some good trades pass us by? Of course not.**

**I designed the #3 EA to flatten out during bulges and make trades off re-tracements back to S/R points.**

**The rules of this EA are simple.**

**Only use beyond the gold lines.**

**Only use after a big move and run on the BB bands.**

**Use, when the 25 BB (white line) is still running away from price and the Bulge bands (yellow dotted lines) are going towards price.**

**When the outer BB (white line) are moving back to price action, take the #3 EA off your screen, and go back to normal signals of the #1 and #2 EA.**

**Many times the Bulge EA will miss a trade, when it gets one they are very nice. These don't happen often but when they do they usually are very good trades.**

**This #3 EA was designed to help you get rid of some of your DD from a bad run. Kind of helps me get out of trouble. So when that yellow dotted line goes back inside the white line turn on good ole #3 EA and see what happens.**

**ONLY USE BEYOND THE GOLD LINES**

**THIS #4 EA WILL ENTER OFF THE BB OR THE CROSSING OF THE 3 MA**

**It's for trades where you think price may not hit the BB band but you want to be in, so it enters off the MA cross.**

**It is for runs, up the inside of the BB mainly but can be used in other situations. Lets say you have a L1 trade and its -200 and you want to make sure you have your L2 trade, but if it doesn't hit the BB, your L2 trade wont load so you use this one.**

**It makes sure you get the trade for your recovery.**

**Another use is, if you have been using the MPTM and it took profit but leaves you with out a trade. You want to enter again, but it may not hit #1 EA, so you use the #4 EA.**

**It is for those trades you want to make sure you get into the market, but are unsure that it is going to hit the #1 EA BB to achieve this.**

**My goal - continue taking profits as they come to help off set my loss until I get my break even retrace.**

**I am using the #4 EA. If it goes up and hits the BB line it enters.**

**If it breaks the yellow 3MA line it enters.**

**If it continues running up inside the BB it does nothing.**

**Wow! All this control and I don't even have to baby-sit the trade to get an entry.**

**I created #4 for these kinds of runs. If price doesn't hit the #1, but we still want to get into the trade somehow, we can use the #4, this is for inside the BB runs up/down, this is what I want to use #4 for. The yellow line is a 3MA shift 1 Median LWMA.**

**Another use of the #4 EA - I decided to grab the profit and then use the #4 EA - If price went back up I lose my profit, so I took it.**

**Now if price goes back up I can get a new entrance and if price takes a dive I will be in again, the best of both worlds.**

**AS an example - I set up the NZD/CHF as a BE even trade.**

**Using the #4 EA I get my second entrance and then using the IBreakeven I set up my TP line to get my breakeven plus!**

**This is how I can BE on my multi level trades.**

**My goal is to continue taking profits as they come to help off set my loss until I get my break even retrace.**

**THIS IS HOW I CAN BREAKEVEN ON MY MULTI LEVEL TRADES**

**THE 2.4.2 RECOVERY SYSTEM - IT'S NOT AS COMPLICATED AS IT LOOKS HERE**

**What I am about to show you will make a difference in your trading and trading skills no matter what system you trade with. I am going to teach you something that if you ever get it and grasp its truth and master this trading skill. You will not fear the FOREX again. In theory every 1000 pip move there is a big enough retrace somewhere to get out of any trade with a minimum loss or small profit.**

(I am going to give the two exceptions I have seen this rule broke, and they are easy to see and know - **(Major interest rate changes and trillion dollar bailouts)**  
I am going to add a third - **A government going bankrupt or almost going bankrupt.** So watch out for that one also.

Currency interest rate increases of a full point can cause moves of over a thousand pips, without a retrace. **I have seen runs without news stories but they didn't go over a thousand pips once past the sixth EAs lines.**

Based on three levels of trades, then getting out. We get trade signal and we enter the trade. The entry is called **level 1** - our lot size is **0.03**  
**We increase lot sizes by 1.6** - so we always enter at **0.03 - LEVEL 1 and 0.05 LEVEL 2 and 0.08 for LEVEL 3.**

Price goes minus 200 pips. **We put on the 2<sup>nd</sup> LEVEL EA.** The EA re-enters at the next **6x6 cross** with a second level trade at **0.05**. We now have **LEVEL 1 =** minus 200 pips, **LEVEL 2 = 0** pips. Price moves against us again and 200 pips later we have **level 1** minus 400 pips and **Level 2** minus 200 pips and **Level3 = 0** pips.

**At this point we know we are going to be playing for a zero out trade.** We are not going to play for a profit.

**We are looking for a retrace of around 133 pips or 1/3 the way back.**

**VERSION A Example - we are trading at 10 pence per pip micro account size)** - So if the levels are spaced 200 pips apart so that we want to get back to zero, it takes about 2/3 re-tracement to do it. The numbers look like this LEVEL 1 – 400 pips at 0 .03 Lot, LEVEL 2-200 pips at 0.05 Lot, LEVEL 3 +0 pips at 0 .08 Lot, after 133 pips retracement LEVEL 1 will be at – 267 pips x 0.03 = minus £8.01 and LEVEL 2 will be at –67 pips x 0 .05 or minus £3.35 and LEVEL 3 will be +133 x 0 .08 or plus £10.64. - Plus £10.64 – (£8.01 - £3.35) = minus 0.72 pence, this is a minimal loss trade. So pip wise you are down minus 201 pips total, **but money wise you are at break even.** Simple if you are not a math's wizard we have a break even indicator on the MPTM page that will give you the break even line so you know where to close your trade to break even. It is called **IBREAK EVEN.**

**VERSION B** -You entered Level 3 but price still has not retraced and is going against you again. **WE DO NOT MARTINGALE AND HEAD FOR DISASTER LAND. WE LIMIT OUR LOSS AND OUR EXPOSURE.** If we need a 4<sup>th</sup> level, **we turn off the EAs on this pair by taking them off the screen,** if you use an EA with the same magic number. **In this version though each EA has a different Magic number so we don't have to turn the EA off.** Depending on which EA system you use, if you enter a Level 4 you close the Level 1 trade only. (If your using EA's with different Magic numbers, this is not a problem. If you use an EA which multi levels the trade, you close 1 level they all close - **you don't want that - Turn off your EA.**) You only use 3 levels maximum. When you enter the 4<sup>th</sup> level you lower the lot size back to the level 2-lot size. So if level 2 lots size is .05, level 3 is .08, level 4 is .05 again. **We are not going to risk our account to save a trade.**

**GET CLOSE OR NEAR A S/R LINE, TAKE THE MINIMAL LOSS. YOU SAVED THE TRADE.**

**SECONDARY TRADES** - SIMPLY TRADES WHERE PRICE GOES NEAR SAME S/R OF THE FIRST PRIMARY TRADES

Secondary trades are primary trades where price has gone back to the previous location of the primary trade.

They are your double, triple tops, head and shoulder, 1,2,3 swing trades, etc. patterns.

Instead of having to recognize a trading pattern you just keep the EA on and let the EA handle the entrances.



**Trend traders are crying in their soup, we are making money**



The reason we keep taking them is if price continues to go back up and hit those previous resistance lines we want those trades.

**A trade scenario** - the RWB lines are at or near the 15 / 85 - The BB lines are outside the green or gold lines of the sixths indicator, and price is outside the BB lines we can turn on the EA#1 or EA#2 to load the trade.

After we have profited on these trades, price moves back up /down again allowing us to take these trades again.

**Actually after taking profit you don't need to turn off the EA because it won't enter again until price hits the BB outer band.**

Sometimes you do not get confirmation from the RWB lines from the STO/MACD indicator, but these can still be excellent trades. Price has gone back to test previous support lines and there is no reason we cant take them again. They were a primary trades in the past but now they are a secondary trades. A

SECONDARY TRADE MET THE CONDITIONS OF A PRIMARY TRADE EARLIER.

I have often found secondary trades make more pips than the original primary trade. So secondary trades do not need confirmation from the now current RWB lines, but they do need to have it from the recent past.

**I am not using my principal to cover these losses if they occur. I am using my profits. That is the beauty of this system if you can ever completely understand and comprehend all its nuances.**

**\*\*\*This is a well supported, extremely successful and profitable System\*\*\***

**SECONDARY TRADE MET THE CONDITIONS OF A PRIMARY TRADE EARLIER.**

**YOU WILL HAVE LOSING TRADES.**

If you cant handle the occasional losing trade without going bananas and trying to change everything you don't belong in FOREX - **YOU WILL HAVE LOSING TRADES.** I will take my 83% win ratio and 7% increase of my account all the way to the bank. Thank you. That is what I mean by a series of trades.

**Nanningbob.**

**Below is a comment made from a trader in the Forum**

I am not here to contribute to the on going technical discussions pertaining to the newly released version 5.1

I simply just want to say a **BIG THANK YOU** once more.

**This is my second time of doing this. I have refused trying out any other system since I discovered yours 4 months ago.**

I believe **its the best out there** as it gives me the best idea of buying at the bottom and selling at the top so that most times, **I am out with profits by the time others are just thinking of getting in.**

I use it with trend lines derived from the mouteki indicator and I tell you something, it's a killing near perfect system. The only stresses, which I think is not peculiar to this system, are those periods the market is exclusively driven by news/sentiments. They happen infrequently but one has to remain prepared by **remaining cautious with lot sizes.**

**All the best man and thanks for making consistent profiteering in Forex a reality for me. Up until April this year, I thought this was impossibility!!!**