HALE MARY – TRADES in WEEK 05 2012

My comments:

Some immediate changes which you may want to consider.

1. To include the use of the Price Action Channel (PAC) and APB_Marker in your trading charts.
2. Use the Traders Dynamic Index which shows the bands and the Market Base Line (MBL).
3. Also the H4 High Low indicator which will help you see how the H4 candle high low on your H1 chart TF and lower.

Review your trading plan to have clear define trade setups (4 types of trade setup):

1. Trade setup for narrow range Asian session breakout.
2. Trade Setup for London Open reversal
3. Trade Setup for reversal during the over-lap of the Euro session and the US session (New York Open).
4. Trade setup for continuation trade in a runaway trend.

Some practical work:

a) On the H1 chart, you can identify the first H4 candle of the new day but looking at the first 4 H1 bars/candles. Draw two lines marking the upper and lower range of these 4 H1 candles. This will be your trading guide for the new day. These are important breakout levels to look out for throughout the day.

b) Measure the pip range of this 4 H1 candles. Look for narrow range of below 40ips. The narrower the range the better ...say 20 ~ 30pips.

c) Look at the PA both price bars/candle and APB. Look for patterns, the reversal type of candle patterns and continuations patterns.

d) Note the the APB pullback bars is a good indication early warning of a reversal pattern. But you must read the follow up candles well.

e) A pullback APB bar followed by a TDI cross and PA into the PAC is one of the best trade signals. A trade entry while price is in the PAC is what I consider an early entry. One can take the trade early or wait for the breakout of the PAC.

f) Always look at the TDI Green and Red lines with reference to the MBL (the yellow line) MBL=Market Base Line. Most good trades starts at the upper or lower side of the MBL.

g) You will notice that after a bullish or bearish trend, the market will always 'rest'. This is where consolidation takes place. You will see that the TDI lines are congested around the MBL and usually at the levels near 50% +/- 55/45 levels.

h) For target expectation planning, use the ADR Marker. This ADR Marker shows the potential high and low of the new day. This ADR High / Low lines are dynamic, i.e. it moves as the market make lower or higher levels during the trading day. Observe this closely.

Initial Stop Loss:

- Learn to use the Data Window to read the ATR for different period. Compare the ATR on H1 for different period like ATR(7), ATR(10) and ATR(100)
- Different method to determine initial SL or RISK per trade (‘R’).
  - Use the most recent swing high – low levels
  - Use the ATR reading e.g. ATR(100) with reference to the PAC range.
  - Use the PAC upper or lower channel.
- Always calculate your trade lot size after you know your initial SL (R).

Risk and Money Management:

- Recommended RR per trade is 1:1.5
- Consider to scale out trade for example, to exit a portion (e.g. 50%) of your trade when price move to at +1R profit.
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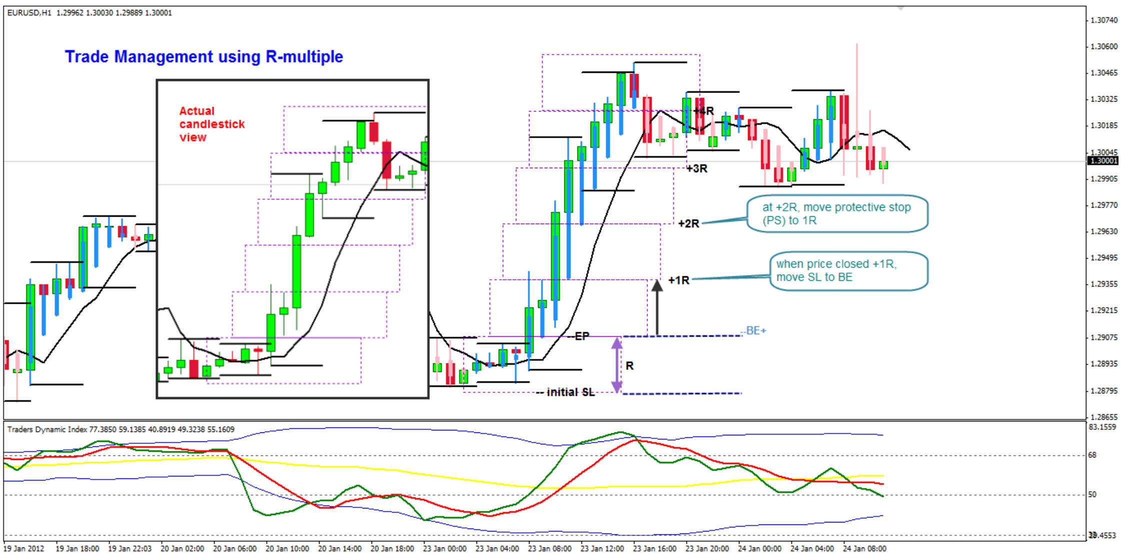
Trade Management:

- Use the R-multiple method.
- When market move one R level, move your protective stop at one R trailing. We do not know how far the market will move, so this way is proven to be a good way to maximize profit. (Reference Dr Van Tharp).
- This method use over a longer time will allow you to capture profit better than your plan RR 1:1.5.
- You can also trail your hourly trades using the PAC channel , which is also quite effective method. But you must observe the APB pattern closely and know when to scale out and to exit fully.
- There are other trade management method but will be too complex for discussion now.

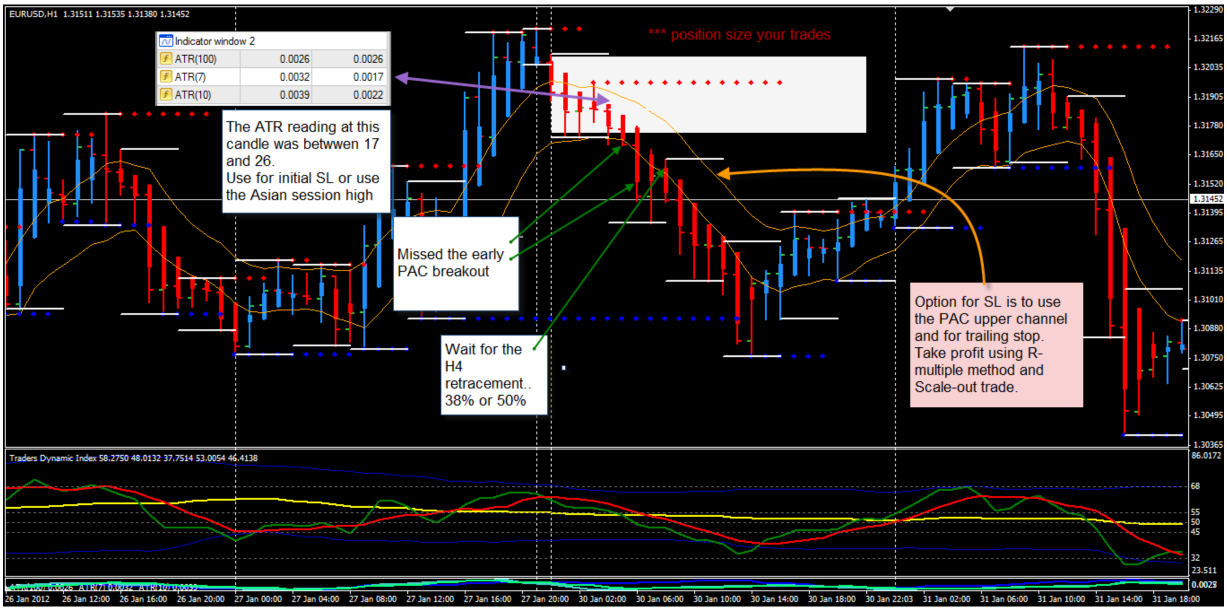


30 Feb

So this is a test chart to see whether people can understand my entries and exits I post.X-man, Let me know if it is good enough so I can post more.

So here the trade. SL is above the candle marked with a down arrow. Entry is when the candle appeared to break the resistance area or what some might call the 1 2 3 pattern. I entered. Price moved down 25 to 30 pips. At that time I moved my SL to BE and got hit. Only to see it go down more. I recall phx62 mentioning he moved his SL to BE everytime price moved this much.

TP was 50 pips. But here is the thing. I am somewhat nerous with the TP as I am not sure it will hit. As in not sure HOW to watch for levels of penetration or stalling. What is a strong level. What signals to let the trade run.



- ➢ Draw a rectangle across the day using the fisr 4 H1 bars high low. This is a good indication for a breakout trade later in the day. Sometimes the breakout happens before London Open.
- ➢ Note the TDI – the RSI price line ‘PL’ and Trade Singal Line ‘TSL’ are both above the Market Base Line ‘MBL’.
- ➢ Study the Price Action ‘PA’ with reference to the Price Actionb Channel ‘PAC’.
- ➢ Read the Synergy APB bars pattern. Bearish APB entering the PAC and breaks out of the PAC.
- ➢ Trade entry while PA in inside the PAC is early entry hence higher risk.

- Trade entry when APB close below (for short) is the best entry. The opposite when price break above the PAC for buy trade.
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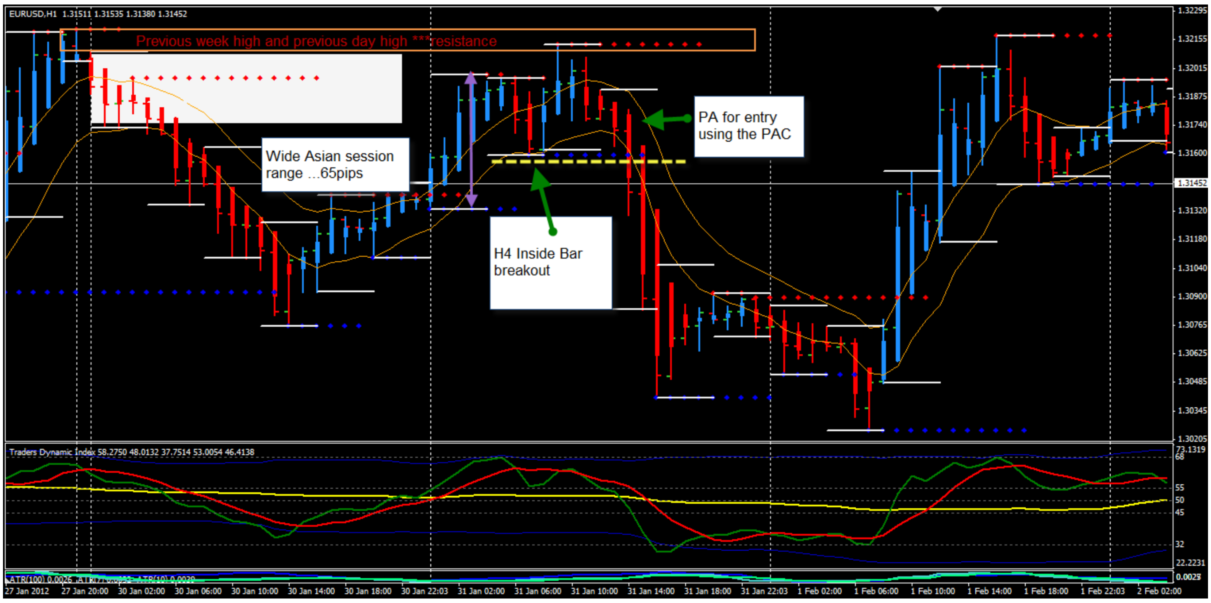
31 Jan

So here is a trade on Jan 31. Went long when price broke the Asian high. (need to avoid these types of errors on trades as it kills the overall profit for the day when you get the signal right) Immediately reversed when price broke the range formed in London and we had TDI cross with red candles closing lower.

TP- Just got out when price went to 1.3100. Did not know it would fly that far and want to recoup some of the lose made earlier by the wrong long. Got lucky I guess as that was the main resistance level I was looking at.



Support and Resistance **… keep it simple!**

- Always look at the most recent S&R, i.e. previous day H L, previous week H L
- Consider the use of Daily Pivots levels.
- Use Fibo tools if there was a recent strong trend in previous days / week for e.g. Or if you darw fibo using the most recent swing H L seen on a H4 TF.
- If using the Weekly pivot, observe where the price action of recent trend. In trending condition, price always move away from the Weekly Pivot. In consolidation condition price tends to swing around the weekly pivot or trapped with its pivot S1 and R1 levels.

Wide Asian session :

- A session range exceeding 50 pips is consider high in particular if this occur during the first 4 hours (the first H4 candle of the day).

- Always take caution when this happen and check the TDI. Sale filter rule : TDI PL and TSL above or below MBL.
- Always know the average Day Range. Use the ADR_Marker indicator for guide where the day range limits potential are.
  *Average Day Range …preference is to use 100 days average ATR(100).

Do Not Chase market:

- Should the price already moved when London Open, wait and look for correction or retracement
- Look for wide H4 bar and get better entry price at fib-r 38% and 50% of the H4 bar. Always follow APB PA and the PAC as the guide.
- Learn to use candle pattern like Outside Bar and Inside Bar to get entries.

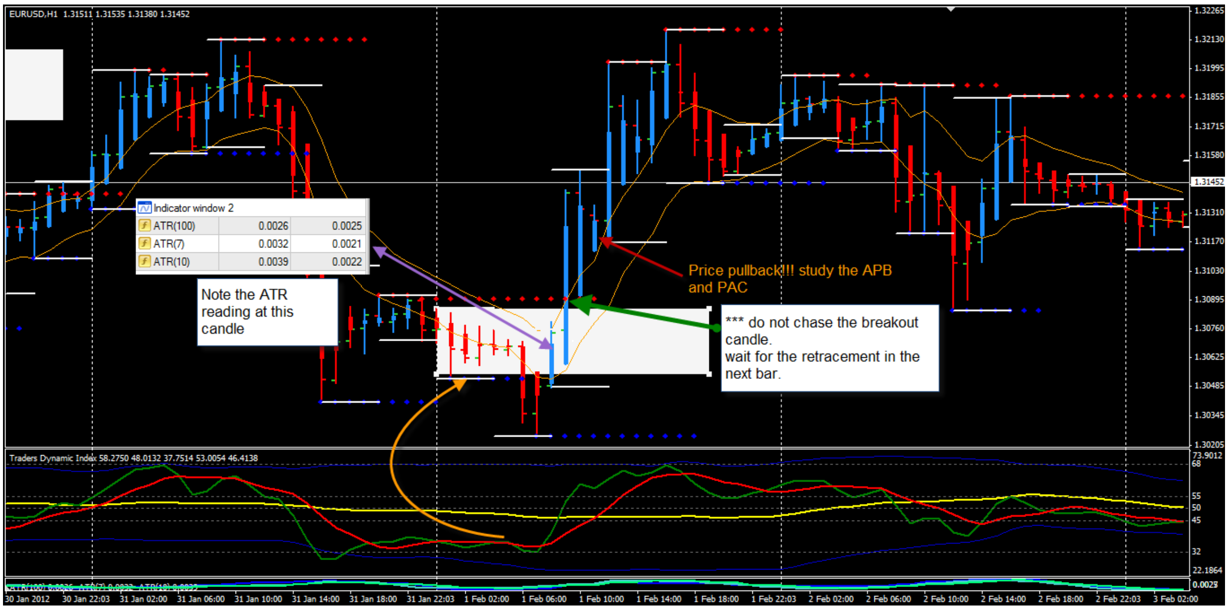
1 Feb

did not have the 200 ema on chart when I took the trade. Saw a few people have them so I stuck it in there.

Went long because the red candle closed up and the candle turned blue with TDI cross. Was looking to get out at the previous days open which happened.

Sl was Few pips below low of the red candle.

I recall Xman entered the trade as soo as price broke the red resistance dotted line I have. Even though price moved over 60 pips up. Keep this in mind as I was using this logic when entering short the next day. will post that chart as well.



Comments:

- Again, the day first H4 box and TDI PL&TSL below MBL is the filter for the breakout direction.
- APB pullback bar before London Open. Follow by the TDI cross and PA into the PAC

2 Feb

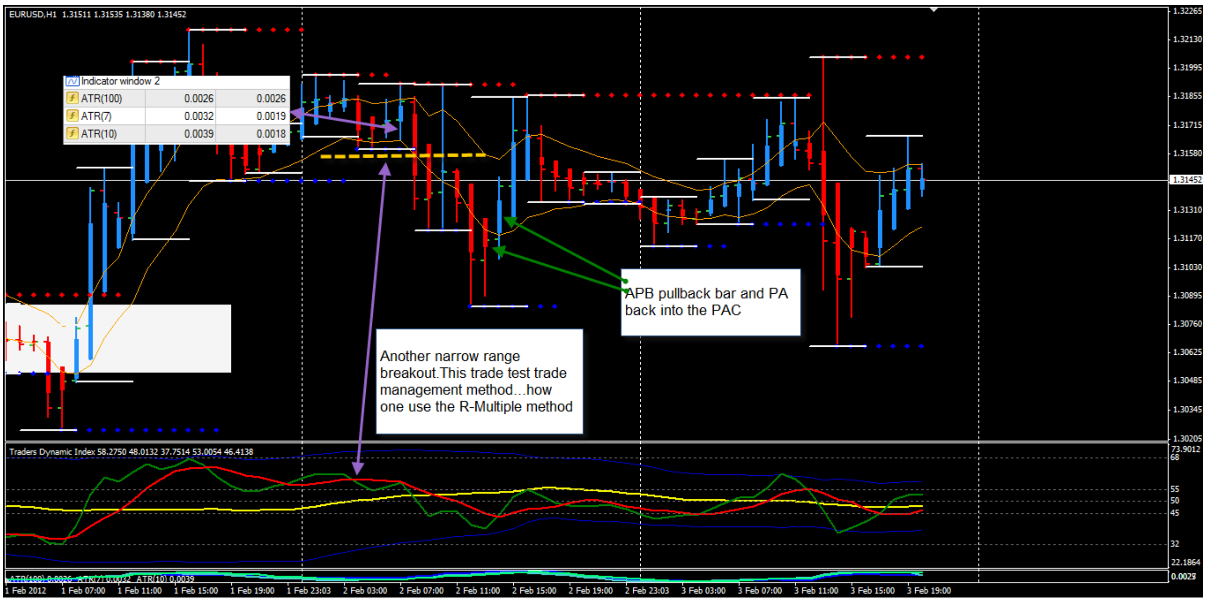
going to be had to visually show the entries so hope my explanations will suffice

Xman pointed out the downward trendline which made me pay close attention to what happened the past few days as price got to the 1.3200 level. So went short on the break of Asian low. Price moved 30 pips so I moved SL to BE only to be taken out and watch price fall.

Now based on what I saw X-man do the previous day to enter long. I went short on the Next red candle as price did a confirmed break to the down side. Then the next blue candle occured and I got stopped out for 40 pips because a 50 pips SL seemed to much for me and it was a a bit above the red synergy candle.

Next entry was when price broke the range low as shown by the whitew line and 3 green dots. Price movwed 33 pips and I moved my SL to BE only to get taken out.

Last entry is shown by the red arrow. TDI crossed up and we had a blue candle form and TDI crossed up. Was looking for 50 pips. (I dont know why even though I saw price Had rejected the same area 3 times. SL was 50 pips, but as soon as I was at plus 37 pips I moved to BE. I got stopped out a BE. I have know clue why I didnt take the money and run.



Comments:

- Another narrow range Asian seesion breakout and supported by the TDI filter method.
- Example of APB pullback bar, TDI cross and PA into PAC.
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