POSITION TRADING BOOTCAMP

A.K.A. BASKET TRADING

A.K.A. PORTFOLIO TRADING

The MARKET STRUCTURE TRADER.com

5 DAY COURSE

(SEE HOW WE GET ON!)

Part 1 – YOU ARE HERE!
Overview + how to measure success + introducing the buyers and sellers + how and why the market moves

Part 2 – Multi time frame analysts + elastic band theory + the difference between stop loss traders and position traders

Part 3 – What a system is + Indicators I use & why I use them + what they are telling you!

Part 4 – Why you are not successful (yet!) + how to position trade & scale in and out using a flexible stop loss + Drawdown control, currency exposure & risk

Part 5 – The Strategies + My exact entry criteria + how to automate everything

Q&A Sessions at the end of every part.

We Have 15 Introduction Slides Coming. (including this one ☺)

I'm going to lay out in a nutshell what you will learn, how I trade and why.

There's over 160 slides in total covering practical examples of strategy, pshycology and indicators I us.

THIS IS WHAT I DO → → → → → → → → → → → → → → → → → →
I bank small amounts of profit every day using multiple small trades.
If you can bank 0.5% per day you are making 10% a month!
1% per day = 20% per month.
It's easy!

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What you will NOT learn…Basics of trading

I'm not going through basics in this course so I expect you to have an understanding of the following…

Brokers & Charting Platforms (I use MT4 personally)
Candlesticks and candlestick patterns
Price action reversal patterns
Support and resistance

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I'll be talking about things like bullish engulfings, hammers, M&W patterns etc so hopefully you know what they are…

I have videos on YouTube about the following if you need:
Top Candlestick Patterns - https://www.youtube.com/watch?v=OeL2YAwttg8
Price Action Patterns - https://www.youtube.com/watch?v=6bl56N9Aex0
Support & Resistance - https://www.youtube.com/watch?v=5hQoTGimQhc

Take a screenshot and go watch these or just visit my YouTube channel and find them.

www.youtube.com/c/TheMarketStructureTrader/

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What you WILL learn…

I'm going to show you how I trade with very little effort, **automate as much as I can** and make consistent profit every day with an easy to back test edge and without the fear and frustration of **getting stopped out constantly**.

You'll probably disagree with some of what I say because you've been programmed to do the total opposite, that's why it works.
That's fine, **BUT** I'm one of the few traders out there that shows his live P&L to people every day in a live room environment and proves he's profitable so bear that in mind when you're watching this.

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I don't teach BS, I don't have a Lambo or massive house, I just show people every day how I trade and how I make money.
I'm showing you a **logical METHODOLOGY** and way to trade markets that can be **applied to any system or strategy** you have used in the past or use now. It's a new way to look at and approach trading.

Trading is a personal thing. If you teach 2 strategies to the same 100 people you'll find different ones click with some and not others. Some may find both work for them but you have to try different approaches to find YOUR way of trading.
If this way of trading is not for you, no problem, move on to the next strategy. I mean that, I've been there and done it and know you NEED to system hop to find what works for you.

I'm going to show you **WHY** you are not profitable at the moment, or at least where you want to be financially with your trading.
I'm going to show you **HOW** I have **ELIMINATED** the following issues experienced by the majority of people trying to trade:

WHICH OF THE FOLLOWING DO YOU IDENTIFY WITH?

1. FOMO (fear of missing out)
2. SYSTEM HOPPING
3. TRYING TO PICK TOPS AND BOTTOMS OF RANGES
4. TRYING TO PICK THE PULLBACK POINT IN A TREND
5. GETTING STOPPED OUT ALL THE TIME ON MOST ENTRIES
6. NOT BEING ABLE TO HOLD ONTO WINNING TRADES
7. GETTING IN JUST AS THE MARKET TURNS THE OTHER WAY
8. MOVING TO BREAKEVEN AND GETTING STOPPED OUT ON A PULLBACK
9. REVENGE TRADING BECAUSE THE MARKET "OWES YOU"
10. USING CANDLESTICK PATTERNS THAT JUST DON'T WORK CONSISTENTLY
11. NOT BEING ABLE TO PICK THE RIGHT S&R OR S&D LEVELS FOR ENTRIES
12. **ALL OF THE ABOVE**

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1. FOMO (fear of missing out)
2. SYSTEM HOPPING
3. TRYING TO PICK TOPS AND BOTTOMS OF RANGES
4. TRYING TO PICK THE PULLBACK POINT IN A TREND
5. GETTING STOPPED OUT ALL THE TIME ON MOST ENTRIES
6. NOT BEING ABLE TO GET SNIPER ENTRIES RIGHT
7. NOT BEING ABLE TO HOLD ONTO WINNING TRADES
8. GETTING IN JUST AS THE MARKET TURNS THE OTHER WAY
9. MOVING TO BREAKEVEN AND GETTING STOPPED OUT ON A PULLBACK
10. UNRELIABLE SYSTEMS OR STRATEGIES THAT MAKE YOU REVENGE TRADE
11. CANDLESTICK PATTERNS THAT JUST DON'T WORK WHEN YOU EXPECT
12. NOT BEING ABLE TO PICK THE RIGHT S&R OR S&D LEVELS FOR ENTRIES
13. NOT BEING ABLE TO GET THE RISK:REWARD RATIO THAT MAKES YOU PROFITABLE

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What Do Each Of Those Have In Common?

TIMING

The problem most people trying to trade have, is they cannot time their trade entries which results in BEING STOPPED OUT and losing money.

SO THE SOLUTION….

I simply **STOPPED focussing** my trading activity on **TIMING** my entries and focussed on HOW the market moves and WHY it moves.

That led me to concentrate my efforts on 4 simple facts.

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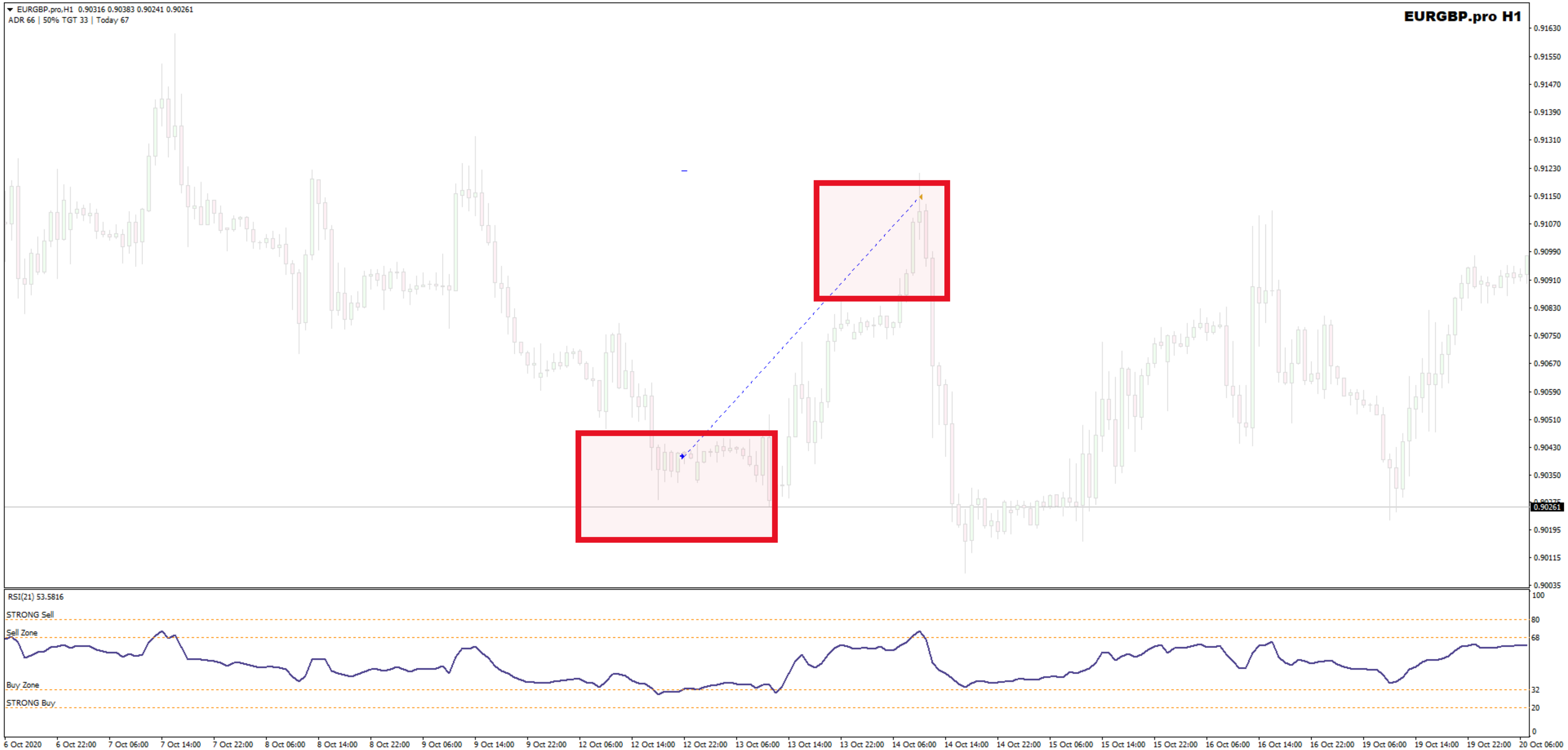
We know ROUGHLY when price turns NOT EXACTLY.
We know it TURNS at S&R or S&D but NOT WHICH.
We know price goes UP and DOWN constantly through time.
We do not know WHEN this up and down will happen.
So in conclusion: WE KNOW NOHTING FOR SURE DO WE!

So why try and pick entries based on something we just cannot know for sure.
Logic suggests we should be focussing on what we do know and that is ROUGHLY when things will happen based on historical facts we can see on our charts.

Heres an examples with the RSI.

We know ROUGHLY that when RSI is extended it reverses



However, we don't know EXACTLY when it will happen, just that is does.

We can use this to our advantage and start to scale into a position knowing we are:

ROUGHLY

in the right area at

ROUGHLY

the right time.

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This increases our odds of having a successful trade substantially.
We will be **profitable more than we will be right**.

Do you want to be **profitable** or **right** with your trading?

MY APPROACH TO TRADING IN A NUTSHELL

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1. I don't use hard stop losses – I manage risk differently BUT still have strict risk management I work by.

2. I use small lot sizing and multiple entries for every trade so I don't have to worry about **TRYING to TIME every trade**!

3. I use realistic targets based on every instruments daily range of movement so I can make money constantly knowing how far price will typically travel.

4. I use custom indicators and an EA to automate 90% of my trading and worry ONLY about positions that don't go my way, the rest just make me money.

WHAT EXACTLY IS POSITION TRADING? HERE ARE THE BASICS

1. The concept is to take a POSITION on a currency pair by picking a direction the market is expected to move in. This is generally based on exhaustion and long term trend.

2. We wait for conditions that historically repeat over and over again to present themselves.

3. We take an initial position and see how that plays out. If our timing is wrong we then manage multiple trades as required until the move completes.

4. We don't worry about stops as our positions are small enough not to care about them.

5. We bank small profits often and build a weekly profit bank.

6. We manage our positions after a certain amount of time if they go against us and deal with the drawdown on our account using profits we've banked.

Here is an example of a recent trade I took in one of my live accounts.

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KNOW WHO THESE GUYS ARE?

YOU THINK THEY TAKE A SINGLE TRADE ON A STOCK AND PUT A STOP LOSS UNDER THE LOWS TO LOSE MILLIONS?

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All I ask is you try this method of trading for 1 month on a demo account.

If you have not increased it by 5-10% by the end, move on to the next system.

If you only make 1-5% then you are probably a step closer to becoming a trader than you were before.

What we'll cover throughout this course...

- How & why the market moves and how I take advantage of these moves with position trading.
- The Indicators I use every day and why I use them.
- What position trading is and why it works so well for most traders.
- Why you are currently not successful (or at least where you want to be).
- Examples of my trades and how position trading works.
- How to use a stop that doesn't get taken out constantly.
- Lot sizing for position trading, so you don't over-leverage.
- Drawdown control basics and how to use drawdown properly & see it as a positive.
- My main entry strategies, how I find entries and how I manage my portfolio day to day.
- How I easily pick the directional bias to trade in.
- My exact process I follow every day and the process for every alert I receive.

It's SUPER SIMPLE, STRESS FREE trading with simple rules for entries and a way to automate the entire trading process.
But without removing the really important indicator you have, YOUR BRAIN!!

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About me & my trading journey

I'm a programmer by trade. I'm a logical person and all of my strategies are based on logic and historical data, not up and down arrow indicators!!

I've been trading for 13 years on and off. I started with stocks and a service called Day Trading Radio in 2008. I've given up twice and blown multiple accounts in the past, probably just like you.

I've taken many different courses. Every one helped me, **none of them made me profitable**.

I've had 3 private mentors. Each taught me something new, **none of them made me profitable.**

I've bought and tested 100's of indicators, **none of them made me profitable**.

I gave up for a third time and looked at my massive trading folder on my PC full of everything I've learned and took all the bits that made sense to me and combined them.

I ended up with market structure, S&R, the RSI, ADR, 123 Gaps/propulsion candles and $ dollar averaging techniques used in stocks.

Now I'm profitable, and that's what I'm going to show you.

I Have Created & Sell Indicators on the MQL5 Marketplace.

I built these to automate and speed up my analysis.

You can choose to buy them, or not. There's no hard sells, no BS offers where I build up the value of something and then cut the price by 500%! Can't stand that crap.

I will show you why I built them, the logic behind them and how I use them to make my daily trading life simple.

You can trade all my strategies without my indicators and 2 of my main indicators come FREE with MT4!

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Your 15 slides are up.

So that’s the top down view of the course….

Let’s Get Started!

First let's talk about how to measure your success as a trader

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Forget PIPS, Concentrate on Growth

Measuring the success of any single trade or days results in pips is pointless.
What is a pip? What is a pip worth?
The answer depends on your base account currency and the instrument you are trading. At the end of the day it's just a measurement of price moving up or down.

Targeting 50 pips profit is a scalp on GBPNZD and a daily swing trade on EURGBP.
The average daily range on those two pairs is around 140 and 30! You can't target an amount of pips the same way on two different instruments.
On the S&P500 the ADR is around 400! That 50 pip move will be over in minutes.

Next time some trading guru promises you 500 pips a week run a mile!
Ask what their percentage return per month is on their account.
I can make 500 pips in a day no problem. I'll just trade USDZAR. It's got an ADR of 2000 so I only need it to move ¼ of it's normal daily range! ☺

Using Percentage Growth Targets Has Big Advantages

1. It never changes and is consistent across every pair/instrument you can trade.
1% growth on your account is the same on GBPNZD and EURGBP.

2. It's consistent when your account grows from say £5k to £10k. You are still targeting the same growth, you're just making more money with a bigger account.
You simply increase lot sizing as your account grows but your performance targets remain the same.

3. It allows you to measure performance, daily, weekly or monthly in the same way. You can compare your performance this month last year, to this month very easily as the market conditions, (ADR of a pair for example or COVID) do not come into it at all.
Consistency is important to measure and you need a constant benchmark to work to.

4. You can set a simple target to achieve daily/weekly/monthly to achieve your financial goals.
If you have £10k in your account and you need to make £1k a month trading you know you need to achieve 10% growth per month, 2.5% per week, 0.5% per day.

Targets for our positions are also not measured in PIPS. We use ADR & levels.

When we enter a position on a pair, we look at where it's likely to go and where it's been historically NOT a number of PIPS we WANT it to move.

The market will move where it want's and will give us what it wants. We cannot force it to do anything so we need to be realistic with how and when we take our profits.

Price moves an average distance on an instrument/pair each day.
It can exceed this but there is an average it will move and it will be different for each currency pair.

This is often based on news, time of year and economic factors.

Price will fluctuate, so we measure how far it's been moving recently.
This gives us an idea of how realistic a potential target is to achieve.

We also know price moves between support and resistance areas as we can see this happening historically over and over again.

So it makes sense to target THESE levels too NOT a number of pips.

Using ADR or S&R as a target is consistent, reliable and more importantly REALISTIC.

Using realistic target levels means we will bank profit more often. We may miss those monster moves but we will be consistently profitable.

Do you want to be consistent or brag about catching a monster move?

ADR is a brilliant target to use

Every big move has a retracement and that is usually either 1 or 2 X ADR.

If we only put our targets within this 1 or 2 X ADR we will bank profit regularly and not have to sit through potentially days or weeks of consolidation or drawdown waiting for that BIG PAYDAY.

Banking small profits consistently, builds your account.

We will look at ADR in more detail later.

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So To Summarise!

FORGET PIPS

From now on:

Concentrate on realistic targets that price is likely to ACTUALLY GET TO.

Concentrate on growing your account by a percentage NOT a number of pips.

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Now lets look at the market participants

THE BUYERS & SELLERS

Institutions and banks move the market, and for 2 main reasons.

1. To execute orders for their customers
2. To make a profit

They go from level to level, creating positions and taking profit when they are ready.

It's called "the market" for a reason, it behaves in exactly the same way as any other market you would visit to make a purchase.

For every buyer out there there needs to be a seller.
When I hit the BUY button someone somewhere is taking the opposite position in the market to me.

BUT that does not mean one person wins and another loses. It means at that POINT IN TIME we needed or wanted to enter a position in a direction, nothing more.

One key fact about central banks, governments and institutional traders that is CRITIAL you understand is this...

Every time they **buy** they **MUST** become a **seller** to take profit.

So what does this mean to us as retail traders?

Every large move in one direction has either a pullback or a reversal that follows. We don't know which it will be but we know there will be one as there MUST be a profit taking move after a large buying or selling spree.

If price pushes up sharply in one direction with little sign of a pullback we KNOW there will be one coming soon as all those buyers are now sellers in the making.

Lets have a look at this on a chart.


EURCAD,H1 1.48914 1.48922 1.48902 1.48905
ADR (10) = 98.0
EURCAD H1
SELLERS
SELLERS
SELLERS
BUYERS
BUYERS
BUYERS
HIGH ADR 225% - 2%
HIGH ADR 200% - 3%
HIGH ADR 175% - 6%
Last Week High
HIGH ADR 150% - 12%
HIGH ADR 125% - 23%
HIGH ADR 100% - 42%
LOW ADR 100% - 42%
LOW ADR 125% - 23%
LOW ADR 150% - 12%
LOW ADR 175% - 6%
LOW ADR 200% - 3%
LOW ADR 225% - 2%
RSI(14) 50.6655
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To move the market where they want to go they need to find people to take the opposite position to them.

If they want to go short they have to find lots and lots of buyers.

Due to the buying power the large institutional trades and central banks have they can move the market to the location these buyers will be. They need liquidity (orders in the form or stops and pending orders) to move the market.

The majority of these orders are placed by us (retail traders) and smaller investors.

The majority of orders in the market are either stops on existing trades or pending orders on future trades.

These are all placed in the same area as that's what we're all taught to do.

Let's look at stop and pending orders in more detail.

STOPS on existing orders

This is what we all do as retail traders:

We see the market start to turn and we get in. We put a stop at the high or low, they know this is where more liquidity is so they move there to get it and then carry on with whatever their move is.

This is often the m or w pattern we see play put on charts all the time.

When they find this liquidity they will try to start the move they want to make (to execute customer orders or make a profit), if they can't because of liquidity being too low they go back and get more.

You as a retail trader gets stopped out by this over and over again.
THEN the move starts and off it goes in your direction.

Frustrating!

PENDING ORDERS on Breakouts

The other common type of order placed is one to get IN to the market when price reaches a certain level.

These orders are also obvious and why we often see a FALSE BREAKOUT happen and price reverses the other way from our entry and then takes out our stop.
Back to step 1, they know where our stops are on these orders!

Look at this chart, we'll see how it moves up and down over and over again.

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What do we learn from this?

Most of us….Nothing. We carry on placing our stops and pending orders in the market knowing that (for most of us) 50-60% of them will be orders that lose us money.

What we DO LEARN from looking at that last chart is that **we have no idea if they will turn at any specific point or blow through it**.

Sometimes those pending's worked, other times they didn't.
Sometimes those stops got taken other times they didn't.

You have to accept we know one thing, and one thing only.
Price will go up and down through time and we can never know when moves will happen.

TIMING is NOT something we can forecast accurately.

So we now know this:

WE HAVE NO CONTROL OVER THE MARKET

WE CAN'T ACCURATELY TIME OUR ENTRIES

THE MARKET WILL MOVE UP AND DOWN

All we need is a way to take advantage of those 3 facts.

A Quick Look at How Fundamentals Drive The Market

The markets move on fundamental news, it is driven by central banks and governments monetary policy, and is hideously complex. Most of us will never fully understand it and the good news is we DON'T NEED TO!

The Banks & Institutions are what moves the market. They are executing orders and we can do nothing but ride their waves like a surfer.

Their job is to execute their customers orders, move price with big positions, take a profit and reset for the next day.

We can predict HOW they will move because we can see it happening over and over again but nobody can predict WHEN it will happen. This is why most traders fail, **they concentrate on the TIMING of the entry NOT THE TRADE IDEA and expected move**!

If you concentrate on the direction, where they are likely going & why, the timing is less important.

The market often moves on news. This is often our WHEN, our timing.

The majority of the time the market will move up and down in a range. It will consolidate or slowly trend while waiting for a catalyst to make a big move. We try to trade this “chop” and are usually stopped out over and over again.

The red news will often move the market, and potentially for days or weeks to come.

Sometimes it does nothing.
Sometimes it goes nuts!

We don’t know what it will do but we do know the big market players use it to move the market so you MUST BE AWARE OF IT.

Mon Aug 16						
Tue Aug 17	2:30am	AUD	Monetary Policy Meeting Minutes			
	1:30pm	USD	Core Retail Sales m/m	-0.4%	0.2%	1.6%
		USD	Retail Sales m/m	-1.1%	-0.2%	0.7%
	2:15pm	USD	Industrial Production m/m	0.9%	0.5%	0.2%
	6:30pm	USD	Fed Chair Powell Speaks			
Wed Aug 18	3:00am	NZD	Official Cash Rate	0.25%	0.50%	0.25%
		NZD	RBNZ Monetary Policy Statement			
		NZD	RBNZ Rate Statement			
	4:00am	NZD	RBNZ Press Conference			
	7:00am	GBP	CPI y/y	2.0%	2.3%	2.5%
	1:30pm	CAD	CPI m/m	0.6%	0.3%	0.3%
		CAD	Common CPI y/y	1.7%	1.8%	1.7%
		CAD	Median CPI y/y	2.6%	2.4%	2.4%
		CAD	Trimmed CPI y/y	3.1%	2.5%	2.7%
	3:30pm	USD	Crude Oil Inventories	-3.2M	-1.5M	-0.4M
	7:00pm	USD	FOMC Meeting Minutes			
Thu Aug 19	2:30am	AUD	Employment Change		-42.5K	29.1K
		AUD	Unemployment Rate		5.0%	4.9%
	1:30pm	USD	Philly Fed Manufacturing Index		23.2	21.9
		USD	Unemployment Claims		362K	375K
Fri Aug 20	7:00am	GBP	Retail Sales m/m		0.2%	0.5%
	1:30pm	CAD	Core Retail Sales m/m		4.5%	-2.0%
Sat Aug 21						
Sun Aug 22						
Mon Aug 23	8:15am	EUR	French Flash Manufacturing PMI			58.0
		EUR	French Flash Services PMI			56.8
	8:30am	EUR	German Flash Manufacturing PMI			65.9
		EUR	German Flash Services PMI			61.8
	9:00am	EUR	Flash Manufacturing PMI			62.8
		EUR	Flash Services PMI			59.8

SO LETS RECAP WHAT WE HAVE LEARNED SO FAR

We know price moves a certain distance on average per day.

We know it likes to trade between support and resistance areas.

We know who drives the market & why it moves.

We know it moves up and down through time and we have no control over that.

We know strong buying or selling runs will have the opposite move at some point soon.

We know stops and pending orders get triggered as the market moves up and down.

HOW DO WE TAKE ADVANGE OF EVERYTHING WE KNOW SO FAR?

We simply ride the markets waves – up down, up down, up down, etc..!

We load up positions at roughly the areas historically price tends to reverse at.
We're just loading up positions waiting for the move (NEWS).
I call it putting my pies in the oven.

We can see the waves happening all the time and there are indicators we can use to show us when the waves are likely to start and stop.

It's really simple. We **buy low** and we **sell high**.

So, why is it people who are learning to trade, find this simple concept so hard to execute?

It's usually because you're **stopping yourself out constantly** by trying to time the entry, you are not concentrating on the actual move that you are expecting to happen.

Let's look at a simple RSI and see how the waves in the market happen.
Then we'll look at how we take advantage of those moves.

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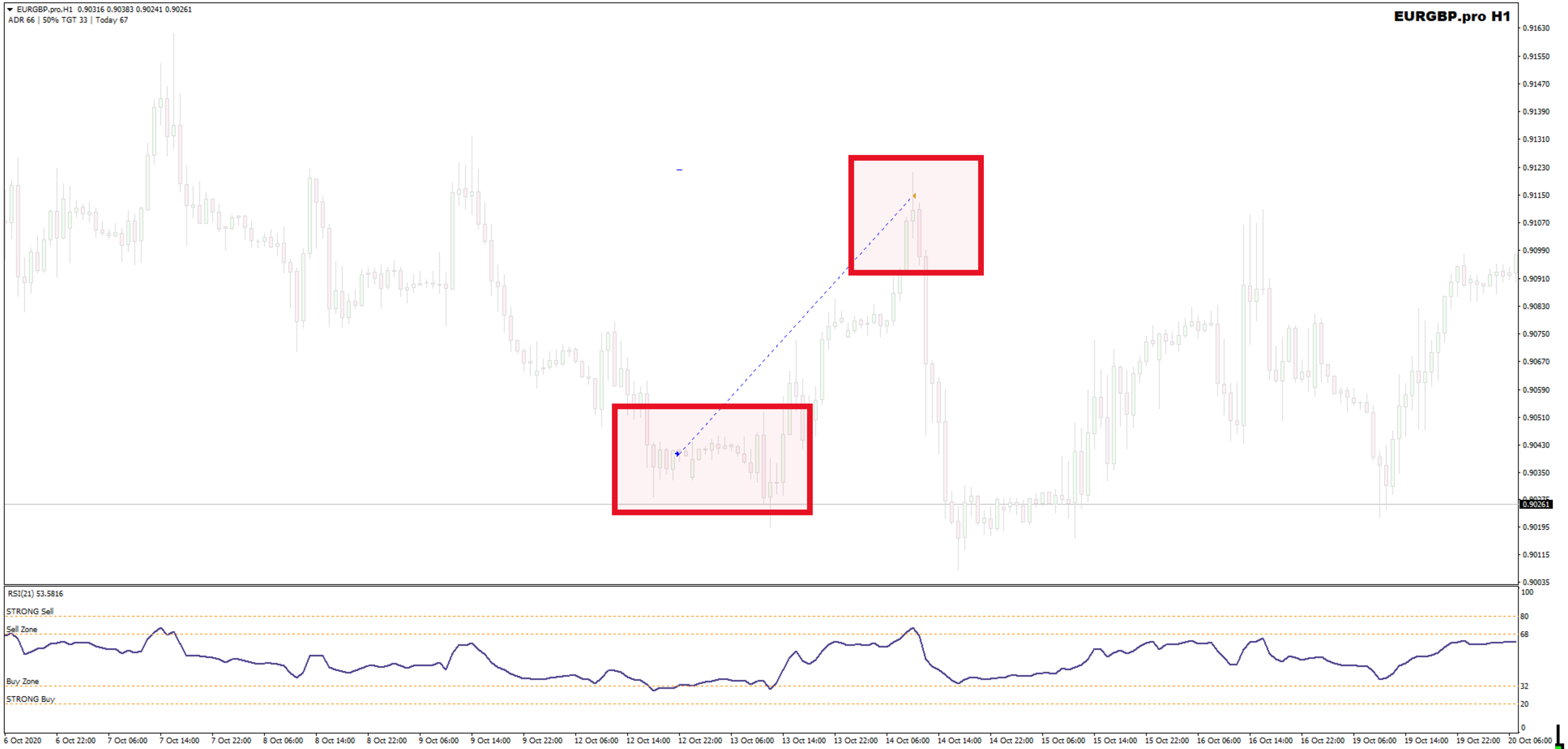
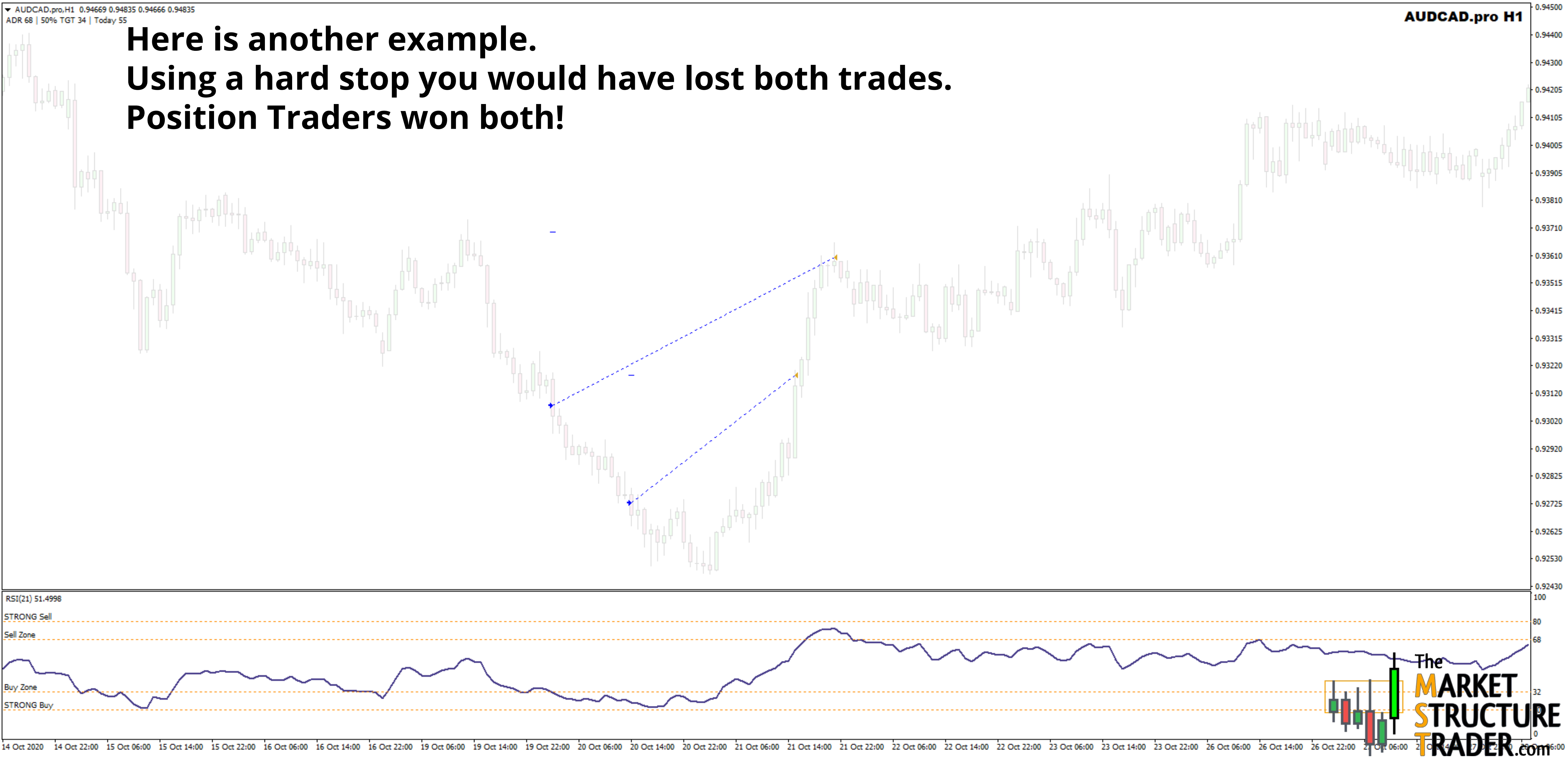
So you get in SOMEWHERE down here and out SOMEWHERE up there.



Just don't try and take one entry to catch that move.


AUDCAD.pro,H1 0.94669 0.94835 0.94666 0.94835
ADR 68 | 50% TGT 34 | Today 55
Here is another example.
Using a hard stop you would have lost both trades.
Position Traders won both!
AUDCAD.pro H1
RSI(21) 51.4998
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
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When you use a stop loss, it is important you get the entry as accurate as possible.

As a POSITION TRADER what is more important is how you MANAGE THE POSITION after you take that initial entry.

LET’S LOOK AT LOADS OF EXAMPLES OF HOW THE MARKET MOVES IN WAVES.

WE’LL SEE HOW THE BANKS MOVE PRICE HARD THEN DO ONE OF TWO THINGS.

1. PUT IN A PROFIT TAKE MOVE (pullback)
2. REVERSE THE MOVE COMPLETELY (reversal)

END OF PART 1

Next we'll cover the importance of MTF analysis

Any questions on what we've covered so far?

POSITION TRADING BOOTCAMP

DAY 2

- Multi time frame analysis
- Elastic band theory
- The difference between stop loss traders and position traders

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The Importance Of Multi Time Frame Analysis

We have many time frames we can use to look at market movement.

Traders often suffer from “paralysis by analysis”, they flick up and down constantly through timeframes looking for trades.

The issue with this is you will see a different picture on every timeframe you look at.

E.g. You will see a great head and shoulders pattern or support level to take a **LONG** trade from on the M15 timeframe. You then flick up to the hourly or daily chart and see the market has been crashing in a downtrend for days or weeks. Now that long doesn’t look so good does it!

So you don’t take the trade and is rockets to the moon for hours on end. You were right, but you missed the trade because you flicked from your M15 chart to your daily and talked yourself out of the trade.

Now you have doubt in yourself, your strategy, you’re confused.

Paralysis by analysis

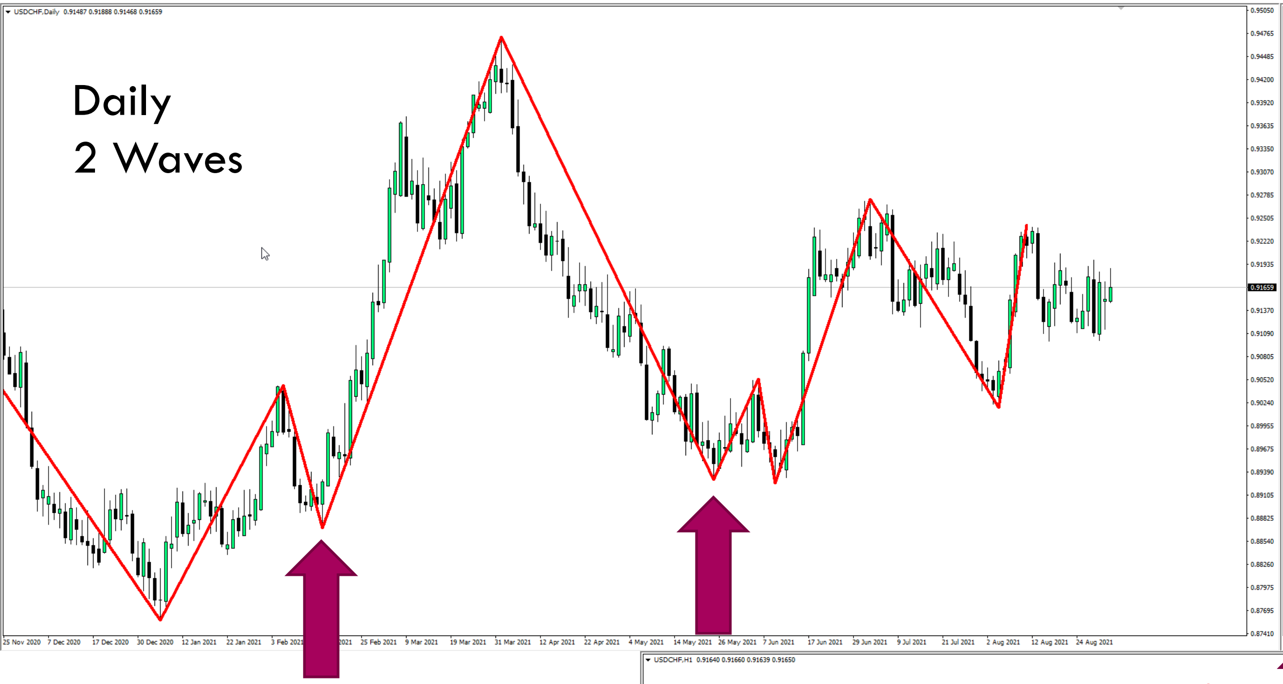
Trade Entry		Trend Bias
M5	Scalping & Day Trading	Hourly
M15	Work from Home	4 Hour
Hourly	Work from Home	Daily
4 Hour	Full Time Worker	Weekly

Price moves in the same way on all timeframes but the lower timeframes have more “chop” and you will always find signals and systems are less reliable.

We see the same patterns playing out, however the waves we see appear on all the major time frames we trade.

Daily is slow time frame, trades take a long time to play out.
H4 has a slightly faster oscillation, you’ll get more trades and it still offers highly reliable signals.
Hourly is faster still but you’ll get less accurate entries because there is more “chop”.
M15 is even faster etc.

Lets look at an example of this “chop” on different timeframes.
We’ll use a standard ZigZag indicator to demonstrate.


Daily
2 Waves


H4
24 Waves


Hourly
98 Waves

So How Can We Take Advantage Of This?

We can use this to our advantage by picking our entry areas, **our ideas**, on higher time frames as we know signals and strategies are more reliable.

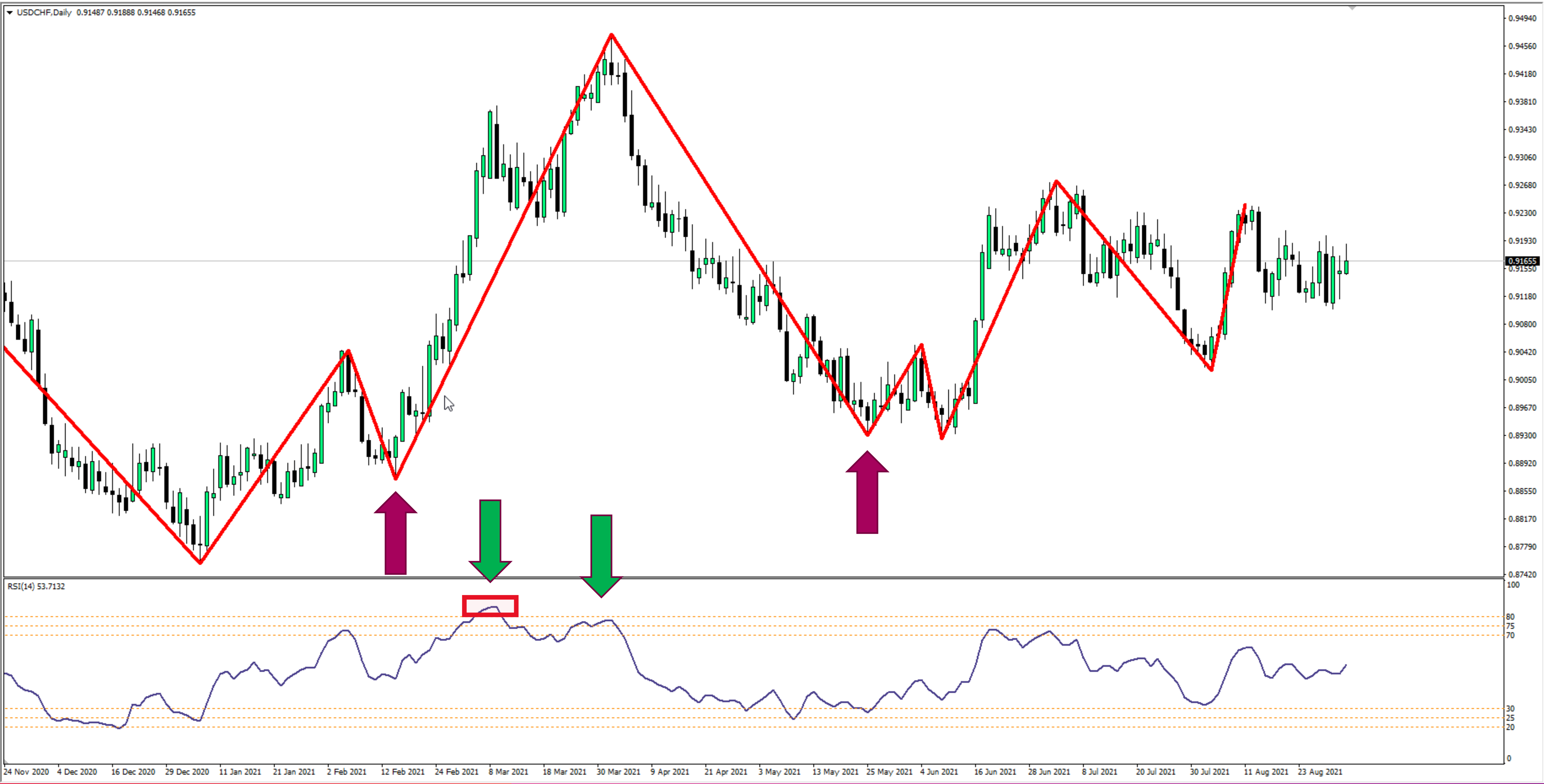
BUT we can use lower timeframes to get into our trades. This often allows us to make more profit because we get more entries as the larger time frame idea plays out.

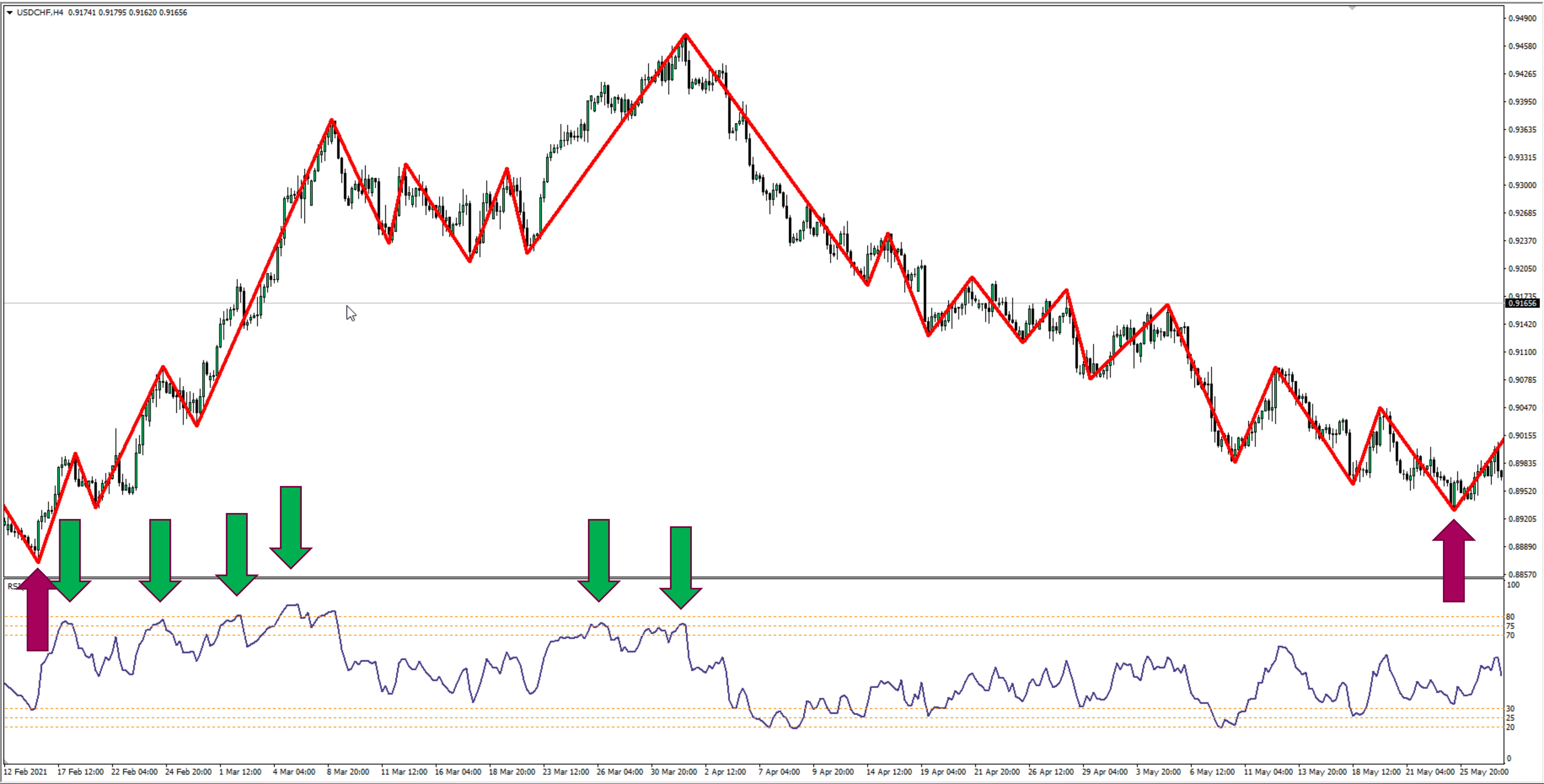
Also, we can often profit over and over again.

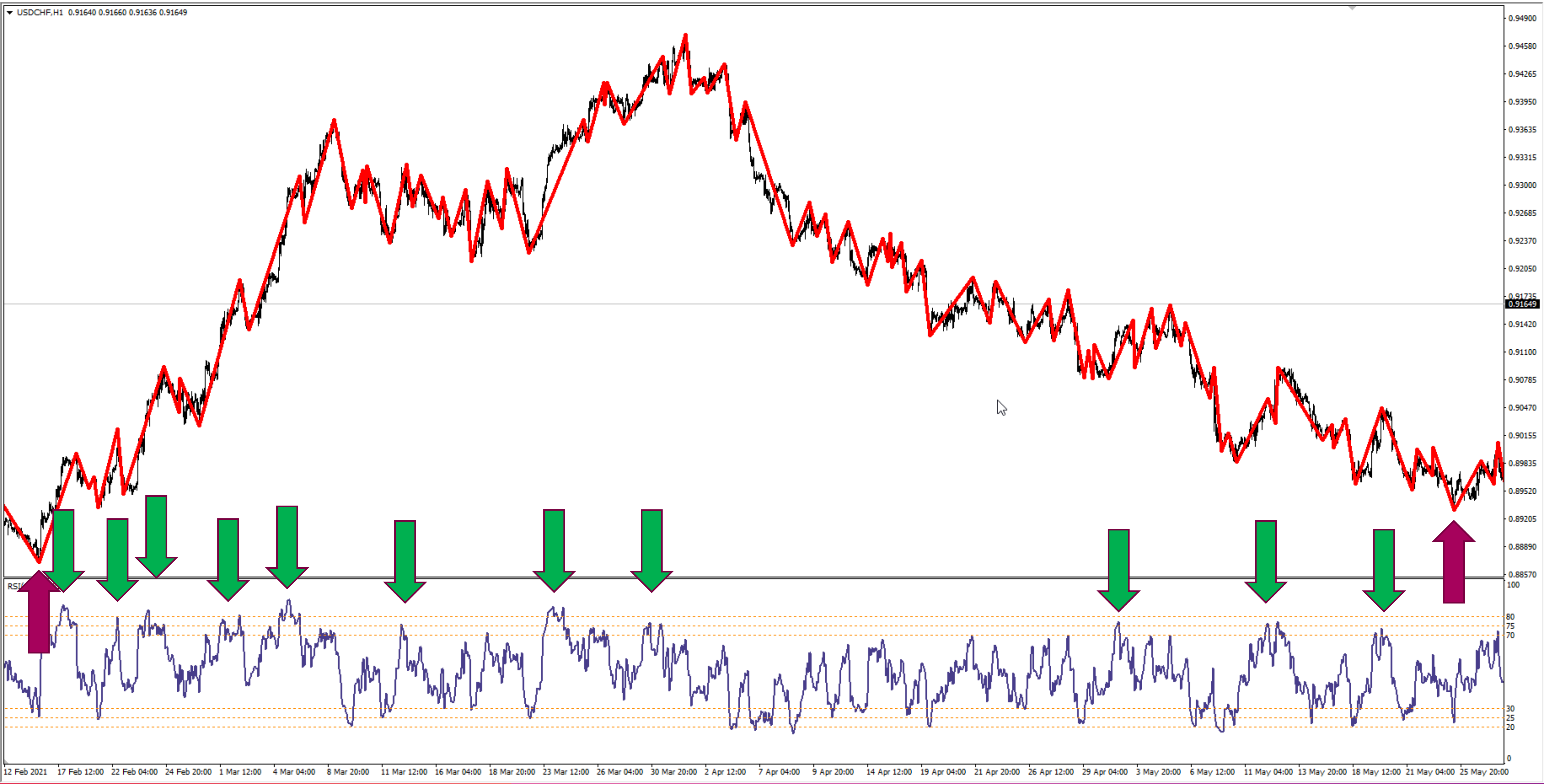
Lets look at a practical example of these waves.

Now lets assume we wanted to trade JUST using an RSI when price got to really extended conditions.

How many opportunities would we get?


USDCHF,Daily 0.91487 0.91888 0.91468 0.91655
RSI(14) 53.7132
24 Nov 2020
4 Dec 2020
16 Dec 2020
29 Dec 2020
11 Jan 2021
21 Jan 2021
2 Feb 2021
12 Feb 2021
24 Feb 2021
8 Mar 2021
18 Mar 2021
30 Mar 2021
9 Apr 2021
21 Apr 2021
3 May 2021
13 May 2021
25 May 2021
4 Jun 2021
16 Jun 2021
28 Jun 2021
8 Jul 2021
20 Jul 2021
30 Jul 2021
11 Aug 2021
23 Aug 2021


USDCHF,H4 0.91741 0.91795 0.91620 0.91656
0.94900
0.94580
0.94265
0.93950
0.93635
0.93315
0.93000
0.92685
0.92370
0.92050
0.91735
0.91656
0.91420
0.91100
0.90785
0.90470
0.90155
0.89835
0.89520
0.89205
0.88890
0.88570
RSI
100
80
75
70
30
25
20
0
12 Feb 2021
17 Feb 12:00
22 Feb 04:00
24 Feb 20:00
1 Mar 12:00
4 Mar 04:00
8 Mar 20:00
11 Mar 12:00
16 Mar 04:00
18 Mar 20:00
23 Mar 12:00
26 Mar 04:00
30 Mar 20:00
2 Apr 12:00
7 Apr 04:00
9 Apr 20:00
14 Apr 12:00
19 Apr 04:00
21 Apr 20:00
26 Apr 12:00
29 Apr 04:00
3 May 20:00
6 May 12:00
11 May 04:00
13 May 20:00
18 May 12:00
21 May 04:00
25 May 20:00


USDCHF,H1 0.91640 0.91660 0.91636 0.91649
RSI
12 Feb 2021
17 Feb 12:00
22 Feb 04:00
24 Feb 20:00
1 Mar 12:00
4 Mar 04:00
8 Mar 20:00
11 Mar 12:00
16 Mar 04:00
18 Mar 20:00
23 Mar 12:00
26 Mar 04:00
30 Mar 20:00
2 Apr 12:00
7 Apr 04:00
9 Apr 20:00
14 Apr 12:00
19 Apr 04:00
21 Apr 20:00
26 Apr 12:00
29 Apr 04:00
3 May 20:00
6 May 12:00
11 May 04:00
13 May 20:00
18 May 12:00
21 May 04:00
25 May 20:00

You can see that on higher timeframes our systems and indicators are slower to react and give us less chances to trade.
BUT we also know higher time frames give more reliable signals.

So.....

It makes sense that we use a higher time frame to spot opportunities, or to gain a directional bias from.

We can then execute our trades on the lower timeframes when we see setups happening, and get the best possible entries.

We need to get in when the market conditions are right.

This gives us the opportunity to get in and out on those smaller waves easily while we wait for the higher time frames BIG moves to play out.

Here is a very simple example of a position trade using multiple time frames.
H4 and M5 timeframes used together in this case.

This is a mean reversion trade which we'll cover in more detail at a later on.


USDCAD H4
The higher time frame gave us the idea that we are looking ready for a pull back or reversal on this currency pair as historically we know all these buyers have to start selling. Higher time frame signals are more reliable than lower time frames as there is less "chop".
We drop down to a lower time frame and start looking for potential signs of weakness to take our trades
Last Week High
Last Week Low
RSI(21) 43.2488
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy


4241403: Axi-US05-Live - [USDCAD,M5]
USDCAD M5
Entry 2
We know by now the chances of a pull back are even higher so take our second entry.
Entry 1
Taken when there is a reversal alert. At this stage we know the chances of success are high as the higher time frame is very extended.
Exit both positions with profit
We don't get greedy and go for huge profits. We bank on this time frame as the move starts on the higher time frame.
RSI(21) 35.6156
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
MRA EA Pullbacks

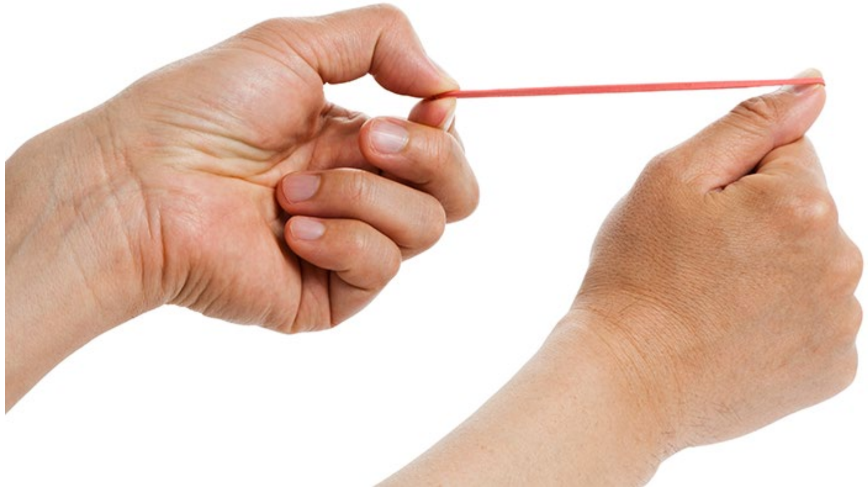
The Elastic Band Theory

An easy way to visualize market exhaustion

Think of the market as an elastic band.

If it's not stretched out, it's doing nothing and therefore unlikely to make you money.

When it is stretched hard though it always pings back hard. We don't know when it will be let go by the person stretching it though!



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There are indicators out there that tell us when these “pings” of our elastic band are more likely.

I call them market condition indicators and we’ll look at them later.

They only tell us the elastic band is stretched though. They don’t tell us WHEN the person will be letting go. Thankfully though theres another type of indicator that tells us when that’s likely to be happening.

This knowledge of KNOWING something is about to happen is what we can take advantage of. That is our edge.

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So, **what if** we could find a way to get into the market **AROUND THE TIME** we know either a pullback or reversal is going to happen (i.e. the elastic band is stretched). But **NOT WORRY** about being 100% accurate with our entry (i.e. knowing WHEN the band will be released).

What if we could **ADJUST OUR ENTRY PRICE** after our trade was taken!
So if our initial entry is wrong, we then just move our entry price to a new level that **MAKES US PROFITABLE**!

That is position trading.

We know the market goes up and down, we can see it, we know if we get in **AROUND** the lows and highs of swings we can make money.

We need a way to somehow measure the market to find out when these pullbacks and reversals will likely happen and we need a strategy to take advantage of this without losing money or being wrong most of the time.

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You’ve probably guessed from the slides so far we’re going to be using:

Multi-Timeframe Analysis

+

The RSI

But those are just 2 parts of the puzzle

WHAT ARE THE DIFFERENCES BETWEEN BEING A

STOP LOSS TRADER

AND A

POSITION TRADER

This is probably YOU currently

You are trying to get that perfect entry when you trade but you miss often, get cross, give up, over trade and just don't make consistent money.
You also don't really know where your target is, you have to hope it's where you are aiming based on a risk:reward level.

This is me right now

I take multiple entries and 95% of the time I hit my target as I can adjust my entry price.
I'm not worried about which individual trade is right as long as one is.
My target is always roughly the same and I can change my entry as necessary.

I can adapt to the markets moves.

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This is probably YOU currently

This is me right now

YOU are trying to be right
YOU are wanting one trade & one profit

i.e. be right but not necessarily make money

POSITION TRADERS are trying to get the profit not the perfect entry

i.e. make money but not always be right

What You Are TRYING To Do Every Day Is TIME YOUR ENTRY & It Doesn't Work

We all want that perfect entry.
We try to pick the top, bottom or the pullback point.
We are taught this is what we should aim for.
We're told to put our stops under our entries.
We're told to cut our losers & let our winners run.

The problems with trying to do this is:
1. We get stopped out constantly.
2. It's time intensive & hard to find those entries.
3. We DO NOT let our winners run.
4. We get losing streaks and we give up.
5. We get losing streaks and we hop systems.

WE are not programmed to trade this way as human beings.
The market and our brokers benefit from us trying to master this approach.
They make money EVERY TIME we pull the trigger on a trade.

What YOU SHOULD BE DOING Every Day IS POSITION TRADING & Here's WHY It Works

We **don't need** that perfect entry.
We **don't need** to pick the top, bottom or pullback point.
We **don't need** to put our stops under our entries so the market can take them out.
We **let our losers reverse** and become winners.

The problems with trying to time entries is:
~~We all want that perfect entry.~~
~~We try to pick the top, bottom or pullback point.~~
~~We're told to put our stops under our entries.~~
~~We are taught this is what we should aim for.~~
~~We're told to cut our losers & let our winners run.~~

We **ARE** programmed to be **POSITION TRADERS**.
You just need to re-learn how to trade.

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LET ME SHOW YOU THE DIFFERENCE.

FIRST WE'LL TRY TO TIME OUR TRADES WITH A STOP LOSS

THEN

WE'LL POSITION TRADE WITH MY EA

You can see how the STOP METHOD is up and down all the time and waiting for the market to move to its risk:reward target.

The POSITION TRADER just takes advantage of the ebb and flow of the market to extract money constantly.

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END OF PART 2

Next we'll cover the all important indicators that we can use as position traders.

Any questions on what we've covered so far?

POSITION TRADING BOOTCAMP

DAY 3

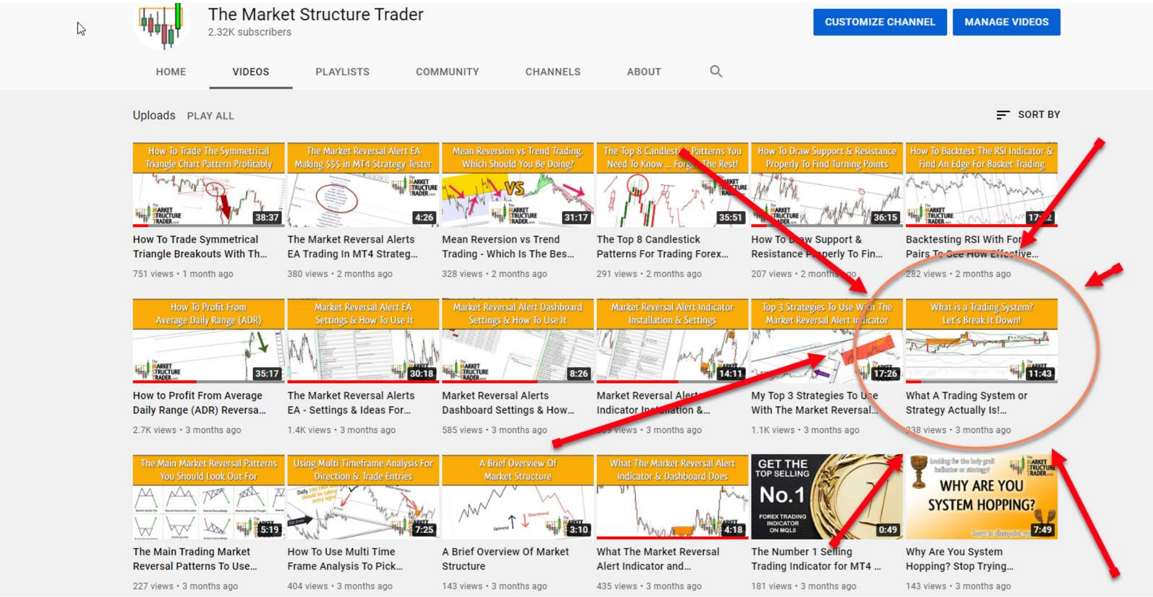
- What a system is
- Indicators I use & why I use them
- What they are telling you!

NOW LET'S TALK ABOUT INDICATORS

WE ALL LOVE INDICATORS!

Before we look at my strategy for position trading we need to know what indicators we'll be using and their purpose.

A system or strategy is made up of multiple parts (indicators and/or levels), each critical to the trade you take. If you want to learn more about the parts involved watch this video.
WHAT A TRADING SYSTEM OR STRATEGY ACTUALLY IS
https://www.youtube.com/watch?v=**HBBfau_uZe8**



I'm going to show you the parts to MY system and how they fit together.

To Summarize That Video Though, There are Typically 5 Parts in a Solid Strategy

1. **Signal Indicator -** tells you to get into a trade

2. **Trend Indicator -** tells you the direction you should trade in

3. **Market Condition / Confirmation Indicator –** backs up the trade idea

4. **A level of Interest –** where price is likely to pull back or reverse from

5. **A Target or Exit Indicator –** where price is likely to go and where to get out

We're going to look at each indicator I use in detail and what it is used for.

The trade direction (trend) indicator
This is mainly used for trend trading of course but is also useful for mean reversion strategies too when price is far away from them.

I use **multiple DAILY moving averages** and this is why:

1. they form a cushion for price and if one fails the next will likely work.

2. the ones I use are based on institutional reporting periods so fall in line with long term investor and overall market sentiment.

3. they are super simple to back test.

4. they work well for trend direction and also show you signs of potential exhaustion for mean reversion trades too.

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Lets take a look at the indicators

The 24 & 72 EMA
Institutional Moving Averages

The market condition (confirmation) indicator
This is designed to tell you what stage in a cycle the instrument you are looking at is currently in so you can look for potential entries into the market.

I use the **14 and 21 RSI** and this is why:

1. for mean reversion trades it tells me when the market is due to perform a profit take or reversal move.

2. in a trend it tells me when the market has potentially performed a pullback and may continue it's current trend.

3. It can be used on higher time frames to signal we should pay attention to an instrument and get ready to trade it. i.e. a market condition indicator.
It can be used on entry time frames to backup our signal indicator. i.e. a confirmation indicator.

4. it's super simple to read and back test.

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Another reason I like RSI is you can also "fine tune" it to your risk preferences.

Here are some back testing results to demonstrate.

	A	B	C	D	E	F	G	H	I	J
1	Testing Period = 8/9/20 - 8/9/21									
2	Account Size = £3,000									
3	Mean Reversion / Exhaustion	GU_M15_Mean_Reversion		TICK DATA						
4	Pair	GBPUSD	GBPUSD	GBPUSD	GBPUSD	GBPUSD	GBPUSD	GBPUSD	GBPUSD	GBPUSD
5	Entry Timeframe	M15	M15	M15	M15	M15	M15	M15	M15	M15
6	Lot Size (percentage)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
7	SL Mode	0.5 ADR	0.5 ADR	0.5 ADR	0.5 ADR	0.5 ADR	0.5 ADR	0.5 ADR	0.5 ADR	0.5 ADR
8	HTF RSI Extended	H4 14 68/32	H4 14 68/32	H4 14 68/32	H4 14 75/25	H4 14 75/25	H4 14 70/30	H4 14 80/20	H4 14 80/20	H4 14 75/25
9	ADR Between Trades	0.5 ADR	0.5 ADR	0.5 ADR	0.5 ADR	1 ADR	1 ADR	1 ADR	0.5 ADR	1 ADR
10	Target	1 ADR or £25	1 ADR or £25	1 ADR or £25	1 ADR or £30	1 ADR or £30	1 ADR or £30	1 ADR or £30	2 ADR or £60	2 ADR or £60
11	Lot Multiplier	1	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2
12	IGNORE	HTF RSI	HTF RSI	HTF RSI	HTF RSI	HTF RSI	HTF RSI	HTF RSI	HTF RSI	HTF RSI
13	Fake SL	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
14	**DD%**	7.29	7.03	7.03	8.39	4.23	6.03	2.93	4.73	5.99
15	**No. trades**	58	58	58	29	23	36	7	11	23
16	**Profit Factor**	7.41	6.85	6.55	6.16	10.64	6.68	63.19	41.32	14.41
17	**Profit**	£563	£694	£675	£304	£284	£445	£100	£212	£484

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Lets take a look at the indicator

The 14 & 21 RSI

Now lets take a look at the
RSI Dashboard indicator

My Market Condition Alert System

https://www.mql5.com/en/market/product/62698

The target/exit indicators
These will usually be a level or a measurement. You MUST have a target in order to know if price has somewhere to go. They are also useful for planning entries and helping with positions that go against you but more on that later.

I use 4 different indicators and they are all important to measure where price is likely to trade to next.

These are:

support or resistance (lines on the chart)

123 gaps (propulsion candles)

ADR (average daily range)

This is why I use them:

1. S&R, 123-gaps & ADR all act as magnets for price, we can see this happening in back testing over and over again.

2. they are dynamic, so they can change as the market moves with or against you to re-evaluate your trades.

3. they are super simple to back test.

4. ADR allows me to see how realistic and easy to achieve my targets are and also shows me how hard to exit my trades are becoming if they go against me.

Lets take a look at the indicators

First – Support and Resistance

Next Lets Look At

123-Gaps or Propulsion Candles

~~https://www.mql5.com/en/market/product/14958~~

Update 2023!
Now using the WRB Hidden Gap Indicator here:
https://themarketstructuretrader.com/the-indicators/other-indicators-template/

Next we'll look at ADR but first here's some facts about it:

ADR is specifically used to calculate entry points in my strategy to manage risk and also to get into trades if they fall in line with the expected market direction I'm looking to trade.

I use the **ADR** + extensions of ADR because:

1. it tells me price has probably moved as far as it wants today or is approaching a level it will become exhausted. I may choose to take profit here.

2. it's mathematical fact based on historical data so can provide a real edge.

3. it often shows the market has reached for a level it wanted to trade at and these usually are turning points for either pullbacks OR reversals.

4. it shows me what the "norm" is for each pair/instrument so I can calculate my backup plans for additional entries without getting over leveraged or exposed.

Now Lets Look At

ADR Reversal Indicator & Dashboard

Indicator:
https://www.mql5.com/en/market/product/62757

Dashboard:
https://www.mql5.com/en/market/product/62756

The signal indicator
This will typically be a price action or price movement indicator.
It will draw arrows, ping alerts, or both, and SIGNAL to you there is an opportunity to trade happening right now.

I use the **market reversal alerts** indicator and this is why:

1. it tells me price is starting to turn or run out of buyers/sellers.
Using this in conjunction with my other indicators that setup my trades gives me a good tight entry on a lower time frame.

2. it's fully automated and I don't need to watch the charts. It will ping alerts at me so I don't have to be tied to the screen 24/7 watching for weakness or strength.

Lets take a look at the

Market Reversal Alerts Indicator

https://www.mql5.com/en/market/product/46295

There is also an optional dashboard to monitor all pairs and time frames available if trading manually: https://www.mql5.com/en/market/product/62751

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Other Indicators You See On My Chart

Yesterdays High/Low – plots the previous days highs and lows as a blue line so we can see where price traded and turned.

Market Sessions Indicator – plots the Asian, London & New York sessions so you can see where the majority of trading happened.

Both of these are used to spot levels the market uses to gather traders stops to power up for moves. Highs and lows act as magnets for price to either sweep and reverse or return to and bounce. They are just support and resistance or supply and demand areas. These are mainly used by traders who trade intraday on lower timeframes but are key levels to be aware of.

There are lots of these out there so just search on Google and find one you like.

Lets take a look at these indicators

END OF PART 3

Next we'll cover HOW TO POSITION TRADE, finally!

Any questions on what we've covered so far?

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POSITION TRADING BOOTCAMP

DAY 4

- Why you are not successful (yet!)
- How to position trade & scale in and out using a flexible stop loss
- Drawdown control, currency exposure & risk

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☺

THIS IS THE BIG ONE – THIS IS WHERE YOU TURN IT AROUND!

Hopefully….

First Lets Recap The Last 2 Days
& Look at Why You Are Not Successful,
YET!

One of these things happens every time you trade, and this is the problem:

1. You take a trade, it **hits your stop**, turns around and goes your way.
2. You take a trade it goes into profit, you **move to breakeven and get stopped out.**
3. You take a trade it goes into profit, misses TP, reverses, and **gets stopped out.**
4. You take a trade it goes into profit, **puts in a candle that scares you**, **you get out**.
5. You take a trade, it **hits your profit target**.

It looks like there are **4 bad,** and **1 good** outcome there.

Wrong! That trade that hit the profit target carried on going and you missed half the profit!

AND that winner has still probably only got you back to breakeven on the losing trades!

YOU SEE THE PROBLEM?

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The problem is YOU ARE GETTING STOPPED OUT

We need to find a way to get profit consistently without getting stopped out.
This is our goal as a trader.

Our goal is NOT to pick the top or bottom and be right.
It’s not to get a positive R:R ratio on all our trades.
Our goal is to make money, and NOT give it to the market or our broker in the form of stops.

WE DON’T USE FIXED STOPS

We **WILL have a STOP** but not in the traditional way you currently use it.

How To Position Trade

Let’s Kick Off By Looking At Some Example Trades.

This is what I want to happen when I get into a trade

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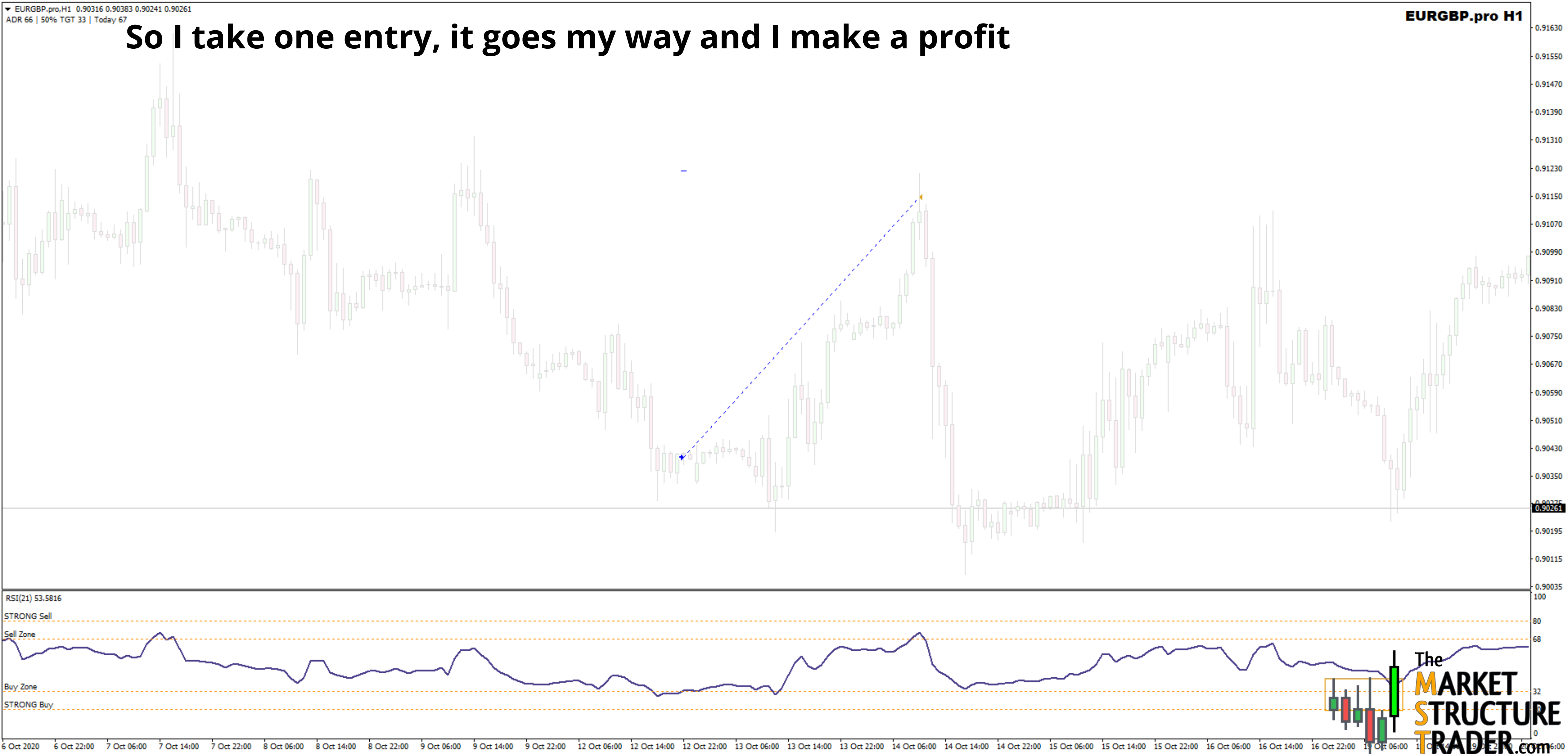
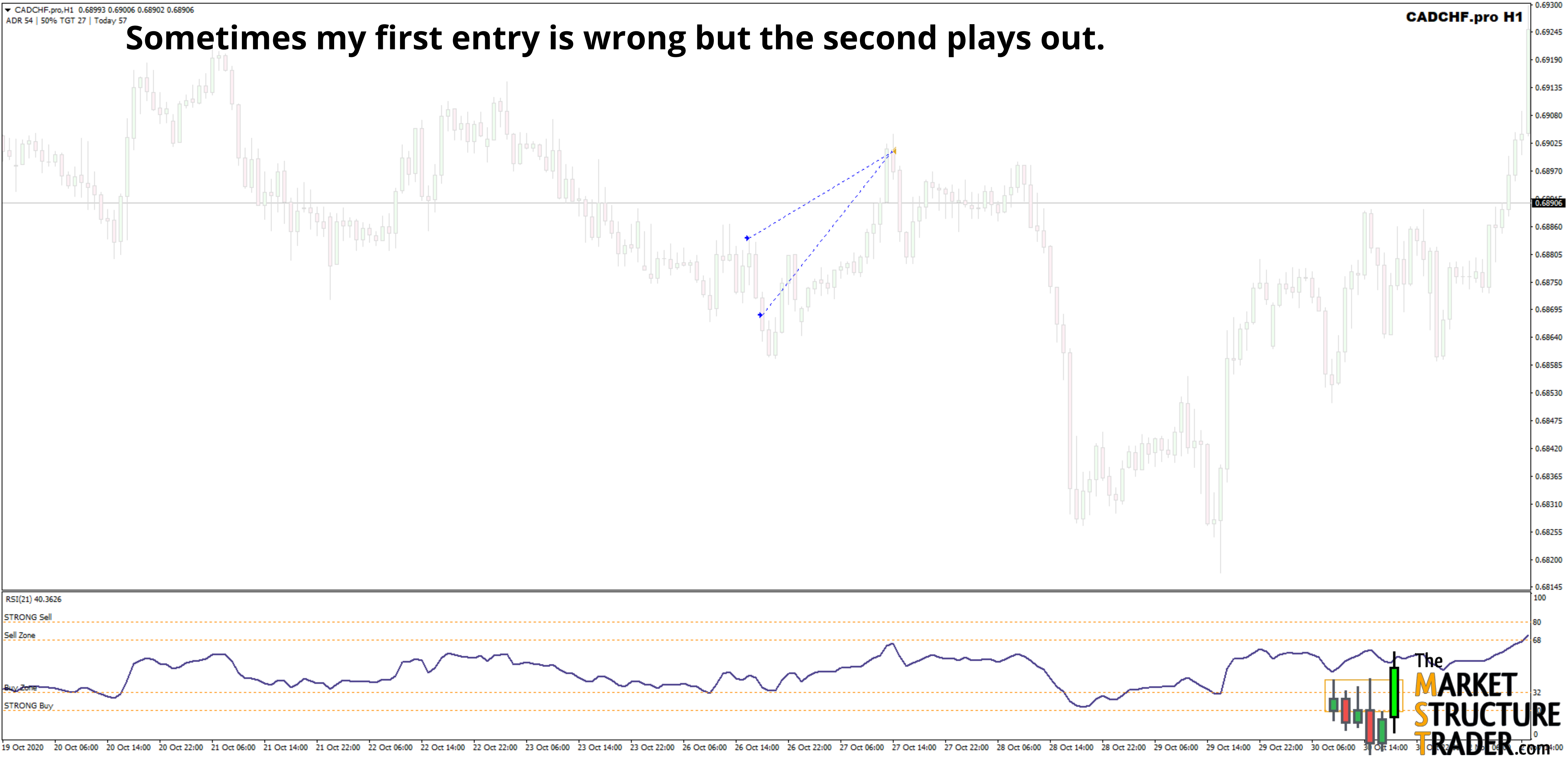
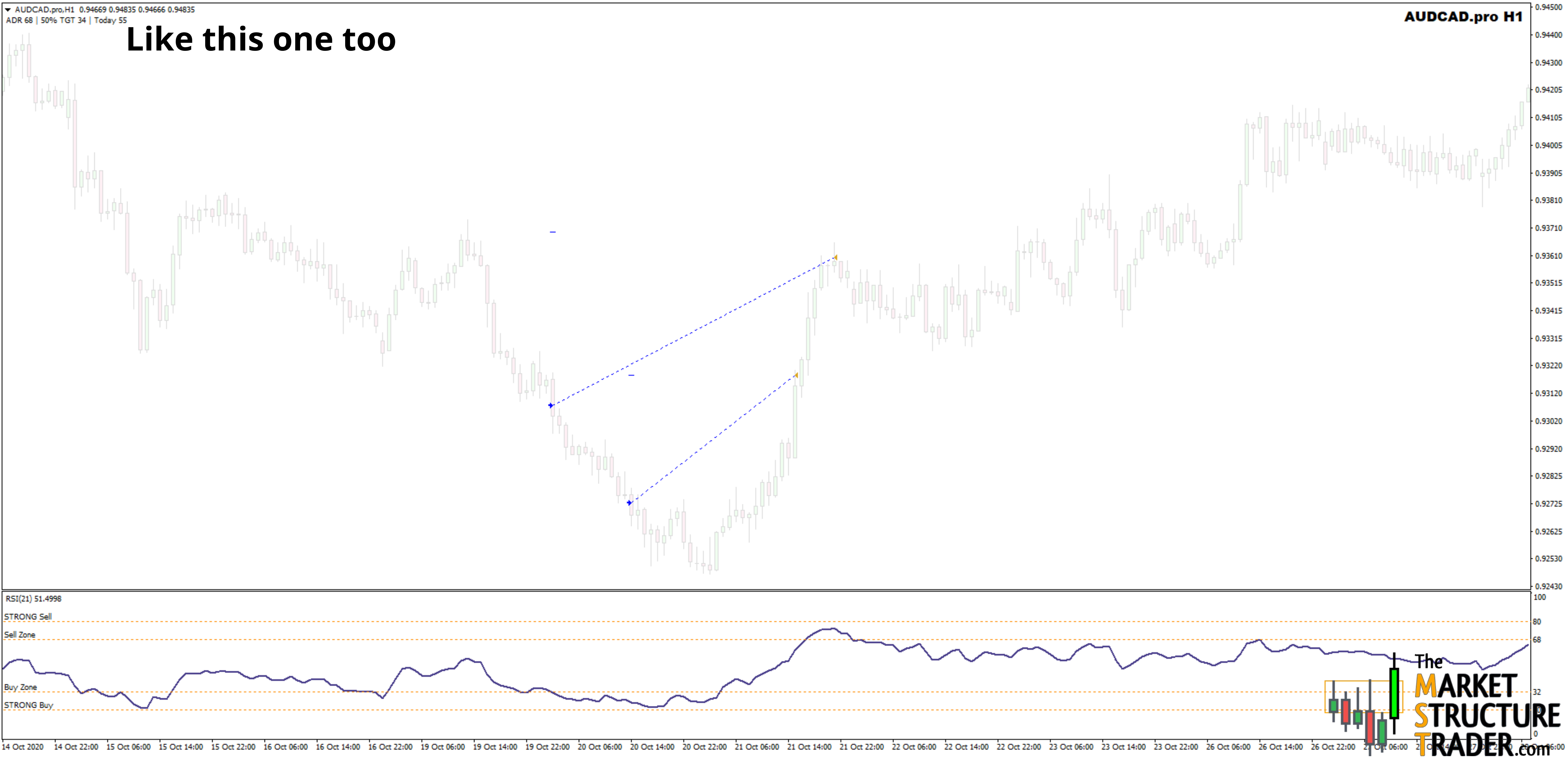
So I take one entry, it goes my way and I make a profit



Sometimes my first entry is wrong but the second plays out.

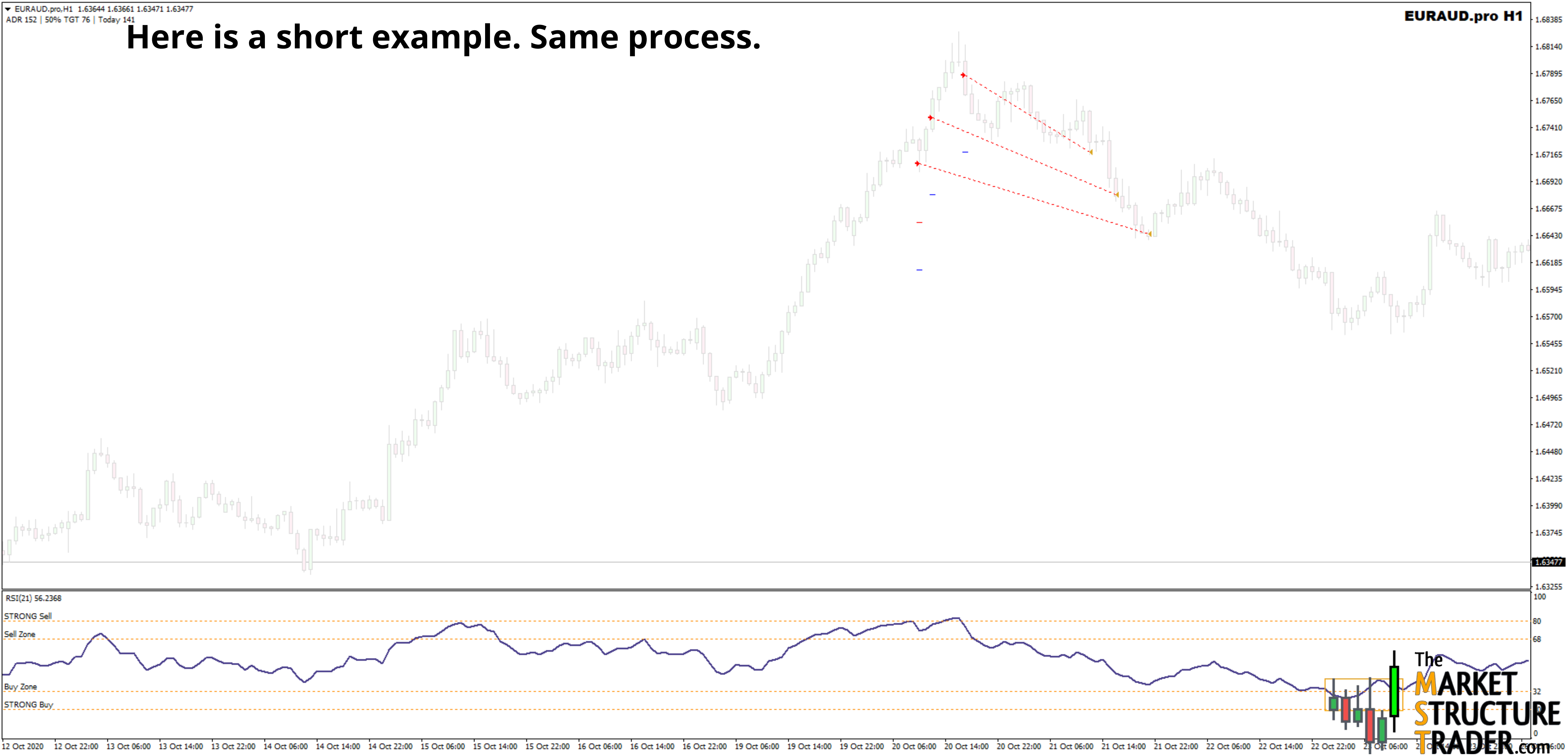


Like this one too

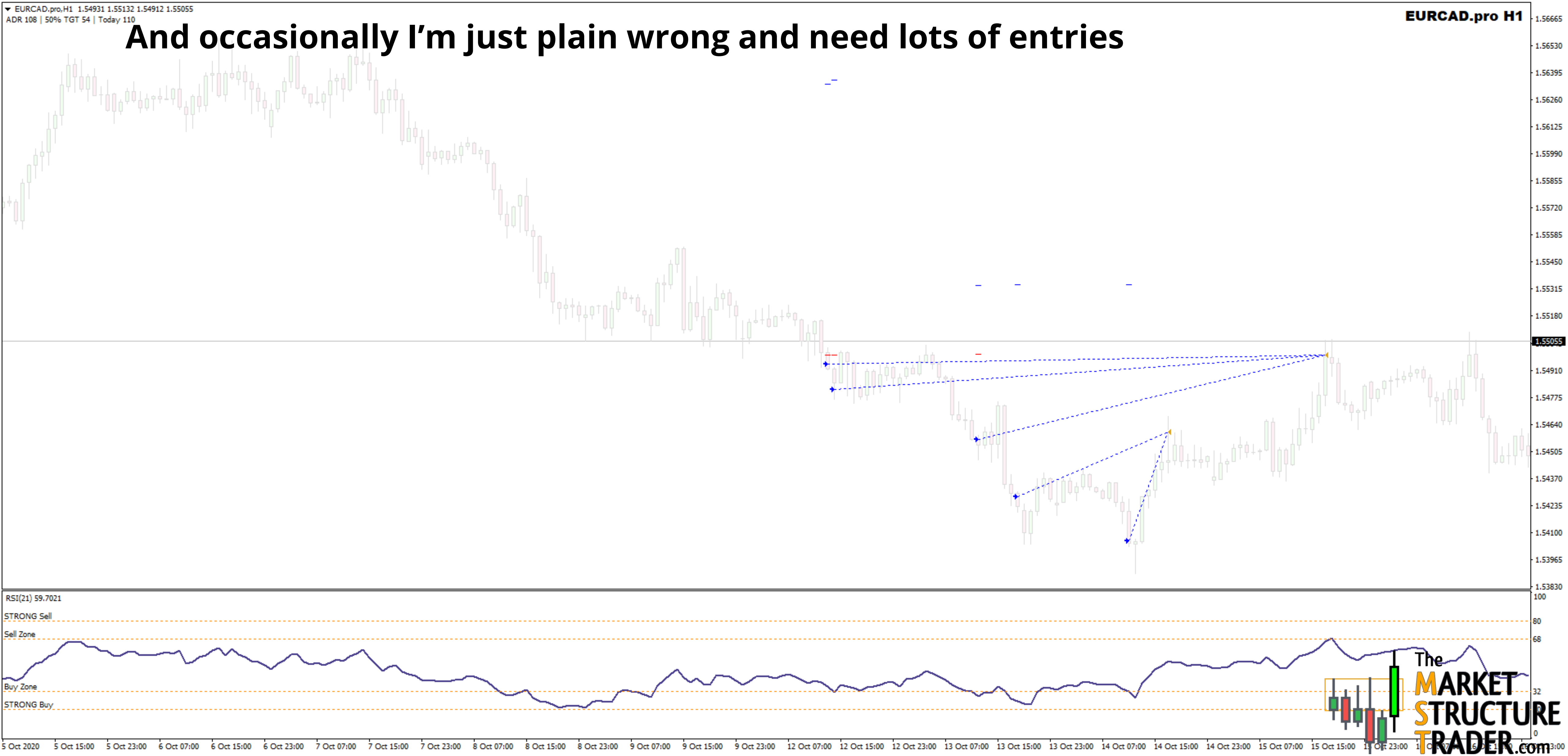


Sometimes I'm really wrong and need to get in 3 times!

Here is a short example. Same process.



And occasionally I'm just plain wrong and need lots of entries



I'm right on the direction as you can see.
My timing isn't always great though is it.

And occasionally I'm just plain wrong for days on end….
My timing sucks and the market just pushes HARD!

Every entry I make is calculated & planned to be wrong when I get in.

The direction I'm trading is virtually always right, my entries however are often too early. Statistically however my edge will play out at some point soon, because it has historically over and over again.

The 3 keys mechanics to position trading:

1. Scale in small, and let the market participants move your positions into profit when **THEY ARE READY**.

2. Move your entry price constantly so you can benefit **WHEN** they move the market in our direction.

3. Constantly monitor your drawdown so you can control your exposure and risk accordingly.

Whatever you risk on a trade normally you will be scaling right back, making less money per trade or position, **BUT MAKING MONEY** and being profitable.

How To Calculate Your Lot Size For Position Trading

At the moment you calculate lot size based on your stop.
You risk X% with a 20 pip stop or something similar and you calculate what the lot size should be. i.e. 0.13 etc….
If you don't have a stop you can't do that so you need another way.

My recommendation is to keep it super simple to start with.
Use 0.01 per $2000 (GBP, EUR or whatever) in your account.
If you want to be more aggressive try 0.01 per $1000.

e.g. If you have a $5000 (£5000 or EUR or any currency) trade 0.02 or 0.03 per entry.
IF you want to be aggressive you would trade 0.05 per entry.

REMEMBER THIS POINT – WE'RE TRYING TO REMOVE EMOTION – ATTACHMENT TO OUR TRADES.
When we hit that button we don't want to be psychologically attached to that trade. We just want to be in the market in the direction we expect price to go.

How to use multiple entries to improve the average price for your position

When we position trade our goal is to keep our average entry price as close to the current trading price as possible.

If price moves against our position we **add additional entries**, spaced according to the pairs ADR to bring the average price of our overall position closer. This benefits us in the following ways:

1. It gradually increases our lot size as the odds of our expected move happening increases. When the move plays out for us we'll have a nice lot size to make more profit.

2. It also gives us less distance for price to have to travel to give us an "out" at breakeven. If we are over leveraged or worried about a trade we can escape without a loss fairly quickly.

3. Our goal should always be to try and keep our average price within around **1 X ADR** distance away from where price is currently trading.
We know it often will push at least 1 X ADR when it gets momentum in the opposite direction so we just need 1 up or down day in our favour to escape the position with a profit.

Let's look at an example of how to do this in the Strategy Tester.

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EURUSD,H1 1.16892 1.17264 1.16760 1.16797
ADR (10) = 98.9
EURUSD H1
Tue
Wed
RSI(14) 52.1469
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
17 Sep 2020
21 Sep 02:00
22 Sep 10:00
23 Sep 18:00
25 Sep 02:00
28 Sep 10:00
29 Sep 18:00
1 Oct 02:00
2 Oct 10:00
5 Oct 18:00
7 Oct 02:00
8 Oct 10:00
9 Oct 18:00
13 Oct 02:00
14 Oct 10:00
15 Oct 18:00
19 Oct 02:00
20 Oct 10:00
21 Oct 18:00
23 Oct 02:00
26 Oct 10:00
27 Oct 18:00
29 Oct 02:00
30 Oct 10:00
2 Nov 18:00
1.18940
1.18805
1.18665
1.18530
1.18395
1.18260
1.18120
1.17980
1.17840
1.17705
1.17570
1.17430
1.17290
1.17150
1.17015
1.16880
1.16797
1.16740
1.16605
1.16470
1.16335
1.16195
1.16060
100
80
70
50
30
20

Here is an example of a trade I have on currently.
I have 4 positions but you can see my average is within 1 ADR of the current price.
The orange line is the average of all trades in my position.

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How To Look At Risk & Drawdown Differently.

Remember, there are 2 potential outcomes to every trade:

1. You'll be right and make money
2. You'll be TEMPORARILY wrong and get another shot at getting it right

You can be temporarily wrong many times with your entries before you are right and the market moves in your direction. You will go into drawdown on your position, this is normal.

Drawdown is your friend **NOT** your enemy. Drawdown means you are building a position and putting risk on the table. Without risk you cannot make money.
Remember our job as a trader is to take and manage risk and protect our capital.

Drawdown = your risk. DO NOT be afraid of it.

Change the way you look at drawdown so it's less scary, the market moves up and down constantly and your drawdown will do the same, this is trading.

You still have to concentrate on risk. This is still important. This is a traders job.

Your No.1 PRIORITY as a trader is risk management and capital preservation.

Without capital you CANNOT TRADE, so make this your focus. DONT lose it!

Risking 1%, 2% or 3% on each position (currency) is fine. Maybe even a little more.

Try to look at risk as a percentage of your account NOT an amount you put on a trade.

My stop loss starts to kick in when my drawdown gets to a certain percentage of my account. For me if my whole portfolio is around 10-15% in drawdown it's time to start looking to cut some losses. For you it could be 5% or 10%, everybody is different.

If a single position (pair) is in drawdown by 1-3% that's fine, you would normally risk this on a single trade anyway but you would lose it. I have the opportunity to close out part of it and reduce my drawdown while waiting for it to reverse.

We will look at HOW to cut losses and manage drawdown later.

Trading with a stop is painful. You can lose 6% of your account in 6 trades if you risk 1% per trade.
We saw this in the strategy tester.

Position traders can go into drawdown by 6% on their account, be temporarily wrong for a few days or even a week, and lose nothing!

So shift your focus onto looking at risk and drawdown as part of trading.

Your account is there to be used by drawdown so you can put risk onto trades.

Try NOT to look at drawdown as a loss which is what you would usually do.

How To Control Your Amount & Rate Of Drawdown

There are 3 main factors that effect your drawdown.

1. Lot sizing.
Keep it tiny, add trades often, use multiple positions not larger lots.

2. Distance between your entries.
Keep them spaced out, the tighter they are the faster your DD will grow.

3. Your profit targets.
The smaller they are the faster you will be out and the less chance there is of getting into drawdown. Control your greed, bank often.

Let's look at some backtest results with the EA and see how each of these effects our drawdown amount.

TEST CONDITIONS - £3,000 Balance – 1 Year – GBPUSD M15 Hedging Strategy

Hedging Version 4.1 + DD Control	LOT SIZING		
Pair	GBPUSD	GBPUSD	GBPUSD
Entry Timeframe	M15	M15	M15
Lot Size (fixed)	**0.02**	**0.03**	**0.04**
SL Mode	0.5 ADR	0.5 ADR	0.5 ADR
RSI Extension	14 70/30	14 70/30	14 70/30
Aggressive Mode	TRUE	TRUE	TRUE
Fixed TP (in ADR)	1	1	1
ADR Between Trades (in ADR)	0.5	0.5	0.5
Basket Target (£)	10	10	10
IGNORE	RSI	RSI	RSI
Fake SL	TRUE	TRUE	TRUE
DD%	**6.78**	**9.75**	**11.99**
No. trades	260	286	302
Profit Factor	2.29	2.19	2.14
Profit	£1,419	£1,799	£2,161

Lot sizing.
Keep it tiny, add them often, use multiple positions not larger lots.

More lot size means more profit but on positions that push against you it also means larger drawdown.

TEST CONDITIONS - £3,000 Balance – 1 Year – GBPUSD M15 Hedging Strategy

Hedging Version 4.1 + DD Control	DISTANCE BETWEEN TRADES		
Pair	GBPUSD	GBPUSD	GBPUSD
Entry Timeframe	M15	M15	M15
Lot Size (percentage)	0.2	0.2	0.2
SL Mode	0.5 ADR	0.5 ADR	0.5 ADR
RSI Extension	14 70/30	14 70/30	14 70/30
Aggressive Mode	TRUE	TRUE	TRUE
Fixed TP (in ADR)	1.5	1.5	1.5
ADR Between Trades (in ADR)	**0.25**	**0.5**	**1**
Basket Target (£)	10	10	10
IGNORE	RSI	RSI	RSI
Fake SL	TRUE	TRUE	TRUE
DD%	**23.6**	**7.33**	**4.72**
No. trades	324	245	157
Profit Factor	2.22	2.19	1.86
Profit	£1,636	£1,167	£622

2Distance between your entries.
Keep them spaced out, the tighter they are the faster your DD will grow.

If price pushed against you by 1 ADR in a day…

¼ ADR spacing would see you add 4 trades to your position.

½ ADR would only se you add 2

1 ADR you would only add a single trade

TEST CONDITIONS - £3,000 Balance – 1 Year – GBPUSD M15 Hedging Strategy

Hedging Version 4.1 + DD Control	PROFIT TARGET		
Pair	GBPUSD	GBPUSD	GBPUSD
Entry Timeframe	M15	M15	M15
Lot Size (percentage)	0.2	0.2	0.2
SL Mode	0.5 ADR	0.5 ADR	0.5 ADR
RSI Extension	14 70/30	14 70/30	14 70/30
Aggressive Mode	TRUE	TRUE	TRUE
Fixed TP (in ADR)	1.5	1.5	1.5
ADR Between Trades (in ADR)	1	1	1
Basket Target (£)	**10**	**30**	**60**
IGNORE	RSI	RSI	RSI
Fake SL	TRUE	TRUE	TRUE
DD%	**4.72**	**16.16**	**34.89**
No. trades	157	186	116
Profit Factor	1.86	1.66	1.4
Profit	£622	£609	£514

Your profit targets.
The smaller they are the faster you will be out and the less chance there is of getting into drawdown. Control your greed, bank often.

Higher targets take longer to reach and will potentially give the market more chances to push against you and take you into deeper drawdown.

Exposure & The 2 Currency Rule.

Currency Limitations & the 2 Currency Rule

To be comfortable in drawdown you need to limit the speed at which it builds.
One way to do this is to ensure you are not OVER LEVERAGED in one currency.

If you are long GBP**CAD** and you take a short on **CAD**JPY you are short **CAD** TWICE.

If CAD gets strong you will go into drawdown on **two** instruments at once.
This will increase the speed of your drawdown **X2**! You will get more uncomfortable faster.
Imagine taking 4 trades on CAD and it going against you. If you want to you can, but you need to half your normal lot size.

IF you can, try to only take ONE trade on a currency at once to start with.
i.e. If you take a GBPCAD trade you are now **BANNED** from all **GBP** and **CAD** pairs until that position is complete, even if you see the setup of the century!

When you are comfortable with this, only enter 2 trades on a single currency, and always ideally in the same direction. i.e. GBPCAD + GBPNZD – That's your lot on GBP pairs.

EXPOSURE: EUR ⇧⇧ | CAD ⇩⇩ | USD ⇩⇧ | NZD ⇧ | CHF ⇩ |

Whether To Hedge Or Not?

BUT Forget That Last Slide If You Want & Hedge! Let's Look at Hedging.

Having just said you should limit your positions to no more than 2 on a single currency in the same direction, there is an alternative you may also want to use.
Again this is a personal choice and you will find out if you want to do it only by actually trying it.

Hedging means you can expose yourself to both directions on the same currency at the same time.

There are two ways to achieve this.

1. You can trade in both directions on the same instrument.

2. You can trade one currency pair in one direction and another in the opposite.

Hedging on the same currency pair

This is simply taking a trade in both directions when specific conditions are met.

For example:
We may want to hedge on the M5 time frame when we get an alert from the market reversal alerts indicator AND the H1 timeframe RSI gets extended.

We may get periods of consolidation where the market goes flat and we're unable to exit our initial position. If price then pushes our way without letting us out and gets extended but give an alert in the opposite direction we can take that new signal against our initial one.

At some point ONE of those will hit our target and we deal with the other one in the normal way.

Hedging Using Different Pairs

We can go long on GBPCAD and then go short on GBPNZD for example.

In the case above if the GBP pushes hard in one direction we are guaranteed to have one of the trades hit our target and bank us money.
We can then deal with the other one by adding positions to scale out when the pullback or reversal happens.

Of course, you need a valid setup to take a trade, and often you will find this does not present itself as if GBP pushes up you will not likely get a signal to go long and short at the same time. After a while though if it consolidates you might.

There are Advantages & Disadvantages to Both Approaches.

The 2 Currency Rule:
Employing this will limit the number of pairs you can trade and therefore your drawdown rate. You will likely never be on more that 6 pairs at a time. This is good as it keeps you more comfortable but you may find you go into DD on 2 pairs at the same time and have to manage DD control on both if the push is hard against you (a squeeze).

Hedging Both Directions:
You will bank more often as regardless of the direction one of your trades will play out nicely.
This leaves you to just manage DD if necessary on one pair.
You may also make money on both if the pair/currency goes rangebound which is a double bonus!
However you will likely have many more trades on and it can lead to over-leveraging.

Whichever you choose it's vital you know in an instant what your exposure is so you can prepare for news and see what you need to worry about if a currency starts to push hard in one direction.

Drawdown Control & How To Deal With Positions That Go Against You

There are 3 main ways to take a loss on positions that are not working out.

1. Set a loss limit in money.
This can be on individual trades OR on the total position.

E.g. When I hit £x I will close out part of the position/trade.

2. Set a level that price moves against you as a trigger to start taking a loss.
This is usually best done as a multiplier of ADR.

E.g. When a single trade has gone into drawdown by 2 X ADR I'll close out part of the trade.

3. When a position hits a percentage amount in drawdown.

E.g. When a position (pair) hits 3% in DD I'll close out part of the position.

Notice we close out PART of our position or trade only, not a whole trade or the whole position. This is scaling out of our position in the same way we scaled in. We're assuming we're still right on direction but just a little more wrong on the timing than we'd like.

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You will be in drawdown most of the time, it’s your risk.

DATE	PROFIT	GAIN
Today	9.22	0.87%
17.8.2021:	51.10	4.83%
16.8.2021:	25.88	2.45%
13.8.2021:	8.00	0.76%
12.8.2021:	3.46	0.33%
This Week:	86.20	8.15%
This Month:	123.08	11.64%

My open trades P&L is in drawdown virtually **ALL** the time.
BUT
My daily P&L is **RARELY** ever red.

Your new job is to bank profit and reduce your drawdown every day.
That is your one and only focus from now on. Forget targets, risk calculations etc…

SYMBOL	DIR	PROFIT	DD%	LOTS	TRADES	
CHFJPY	⇧	-8.60	-0.81%	0.05	5	⇧ -4.44
EURGBP	⇩	-1.56	-0.15%	0.02	2	⇩ -2.40
GBPCAD	⇧	-1.51	-0.14%	0.03	2	⇧ -3.96
USDJPY	⇧	0.00	0.00%	0.01	1	⇧ 0.00
USDCHF	⇧	4.71	0.45%	0.02	1	⇧ 4.71
EURNZD	⇩	-33.56	-3.17%	0.04	2	⇩ -25.50
AUDNZD	⇩	-8.74	-0.83%	0.04	2	⇩ -7.71
NZDCAD	⇧	-5.42	-0.51%	0.02	1	⇧ -5.42
EURJPY	⇩	-2.43	-0.23%	0.02	1	⇩ -2.43
CADJPY	⇩	-2.79	-0.26%	0.02	1	⇩ -2.79
NZDUSD	⇩	3.08	0.29%	0.02	1	⇩ 3.08
NZDJPY	⇩	1.04	0.10%	0.02	1	⇩ 1.04
NZDCHF	⇩	1.46	0.14%	0.02	1	⇩ 1.46
AUDCHF	⇩	0.43	0.04%	0.02	1	⇩ 0.43
AUDJPY	⇩	0.80	0.08%	0.02	1	⇩ 0.80
USDCAD	⇧	1.29	0.12%	0.02	1	⇧ 1.29
GBPNZD	⇧	5.71	0.54%	0.02	1	⇧ 5.71
EURUSD	⇩	0.41	0.04%	0.02	1	⇩ 0.41
TOTAL		-45.68	-4.32%	0.43	26	

When DD becomes uncomfortable, one of these is happening:

1. You are in too many pairs (2 currency rule) – **that’s on you!**

2. You have too much lot size on – **that’s on you!**
(did you plan the trade properly, if hedging are you over leveraged?)

3. You were completely wrong (not temporarily wrong) with your entries or direction – **that’s just trading and we can deal with it using DD control**

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Lets look at reducing your pain!

Your level of pain is different to mine. I don't know what it is and only you can ***feel*** it. You need a mechanism or ruleset to trigger to tell you that you are in pain and you need to take some losses.

So how do we do this?
We use the profits gained every day to reduce the pain on pairs we were wrong about.

This is a business, you make business decisions, some of them will be wrong and cost you money.

Taking losses is required to reduce the speed of drawdown and this helps us sleep better at night.

The full or partial close

DATE	PROFIT	GAIN
Today	9.22	0.87%
17.8.2021:	51.10	4.83%
16.8.2021:	25.88	2.45%
13.8.2021:	8.00	0.76%
12.8.2021:	3.46	0.33%
This Week:	86.20	8.15%
This Month:	123.08	11.64%

We have a bank of cash we've built up.
We have a number of trades in the red that are hurting us.

We use the profit to reduce the loss but not fully remove it as we're only temporarily wrong on the trade remember. Price WILL likely at some point come back and let us out but for now it's too much pain for us to bear.

Options:
Close one full position
Close part of a position

Can you spot the position ->>> that needs DD control here?

SYMBOL	DIR	PROFIT	DD%	LOTS	TRADES		
CHFJPY	⇧	-8.60	-0.81%	0.05	5	⇧	-4.44
EURGBP	⇩	-1.56	-0.15%	0.02	2	⇩	-2.40
GBPCAD	⇧	-1.51	-0.14%	0.03	2	⇧	-3.96
USDJPY	⇧	0.00	0.00%	0.01	1	⇧	0.00
USDCHF	⇧	4.71	0.45%	0.02	1	⇧	4.71
EURNZD	⇩	-33.56	-3.17%	0.04	2	⇩	-25.50
AUDNZD	⇩	-8.74	-0.83%	0.04	2	⇩	-7.71
NZDCAD	⇧	-5.42	-0.51%	0.02	1	⇧	-5.42
EURJPY	⇩	-2.43	-0.23%	0.02	1	⇩	-2.43
CADJPY	⇩	-2.79	-0.26%	0.02	1	⇩	-2.79
NZDUSD	⇩	3.08	0.29%	0.02	1	⇩	3.08
NZDJPY	⇩	1.04	0.10%	0.02	1	⇩	1.04
NZDCHF	⇩	1.46	0.14%	0.02	1	⇩	1.46
AUDCHF	⇩	0.43	0.04%	0.02	1	⇩	0.43
AUDJPY	⇩	0.80	0.08%	0.02	1	⇩	0.80
USDCAD	⇧	1.29	0.12%	0.02	1	⇧	1.29
GBPNZD	⇧	5.71	0.54%	0.02	1	⇧	5.71
EURUSD	⇩	0.41	0.04%	0.02	1	⇩	0.41
TOTAL		-45.68	-4.32%	0.43	26		

How?
Look at your profit today, this week, this month
Use part of it to reduce your pain and drawdown rate.
You can use up to 50% of it or more if you need to,
whatever will make you comfortable!

Here is an example

We have our current P&L at the top, & open positions and current drawdown on our account at the bottom.

For this size of account (£1k) this £45 DD isn't uncomfortable.
For me personally if it gets to 10-15% I'd be looking to close some positions but let's assume 5% is when YOU get uncomfortable.

We can reduce that DD right now using our profit.
This week so far we've banked 8.15%.
We could do one of two things now with that EUR/NZD trade.

1. Just **close the lot** and say we were wrong, take a 3.17% loss and just **take 4.98% profit for the week**. Sounds good right!

2. **Close 50%** of that position and take a 1.6% loss and **make 6.55% profit for the week**.
Even better and that EUR/NZD was extended when we got in so is REALLY extended and due to turn now isn't it!

DATE	PROFIT	GAIN
Today	9.22	0.87%
17.8.2021:	51.10	4.83%
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SYMBOL	DIR	PROFIT	DD%	LOTS	TRADES		
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EURGBP	⇩	-1.56	-0.15%	0.02	2	⇩	-2.40
GBPCAD	⇧	-1.51	-0.14%	0.03	2	⇧	-3.96
USDJPY	⇧	0.00	0.00%	0.01	1	⇧	0.00
USDCHF	⇧	4.71	0.45%	0.02	1	⇧	4.71
EURNZD	⇩	-33.56	-3.17%	0.04	2	⇩	-25.50
AUDNZD	⇩	-8.74	-0.83%	0.04	2	⇩	-7.71
NZDCAD	⇧	-5.42	-0.51%	0.02	1	⇧	-5.42
EURJPY	⇩	-2.43	-0.23%	0.02	1	⇩	-2.43
CADJPY	⇩	-2.79	-0.26%	0.02	1	⇩	-2.79
NZDUSD	⇩	3.08	0.29%	0.02	1	⇩	3.08
NZDJPY	⇩	1.04	0.10%	0.02	1	⇩	1.04
NZDCHF	⇩	1.46	0.14%	0.02	1	⇩	1.46
AUDCHF	⇩	0.43	0.04%	0.02	1	⇩	0.43
AUDJPY	⇩	0.80	0.08%	0.02	1	⇩	0.80
USDCAD	⇧	1.29	0.12%	0.02	1	⇧	1.29
GBPNZD	⇧	5.71	0.54%	0.02	1	⇧	5.71
EURUSD	⇩	0.41	0.04%	0.02	1	⇩	0.41
TOTAL		-45.68	-4.32%	0.43	26		

What happens when we are REALLY wrong? The big SQUEEZE will happen!

SQUEEZES will create losses. You cannot control when they happen or predict them.
Every now and again you'll get squeezed really hard. This is typically due to some fundamental reason which just makes price accelerate away and not look back. It will reverse at some point but for now our positions are negative and getting more negative by the day!

This will hurt and you'll see no way out BUT you treat them the same as any other position going against you.
You'll take losses and they will wipe out whole days worth of profit sometimes but they are rare.

You will be OK though as you will have bagged so much money daily using this method you can afford to take these losses.

This will happen more if you over leverage and use too large lot sizing for your account.
This is why we trade small and can always scale up BUT you can't scale down.

Lets look at a squeeze. USDJPY right now is a great example.

Aggressive Drawdown Control

Accelerating Your Exits From Bad Positions Using a STOP LOSS!

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Sometimes you will have an opportunity to take larger positions and get out of temporarily wrong trades faster.

When you feel uncomfortable in a trade you have taken, you can either just enact drawdown control normally OR elect to “dig your way out” quickly, with the added bonus of making some serious profit along the way.

Aggressive DD control uses a STOP. Remember those things I said we don’t use any more? Well they do have a use still.

As an example lets say we have an initial trade we took when RSI was extended below 30, we are using 0.05 lot size. It pushed against us further and we got into 4 more positions so we now have 5 in total and 0.25 on the position. The RSI is now sitting at 15, it’s massively over extended and due to “pop” at any moment.

Aggressive drawdown control is now a very viable option as every reversal alert has a very high probability of being **“the one”** that will reverse or pullback.

Aggressive Drawdown Control Uses a Traditional Stop Below the Low.

Our position that is 0.25 lots and in drawdown is now uncomfortable for us. So we enter a trade roughly 1/3rd to ½ of our total lot size BUT we are taking a calculated risk here that we're about to get our move.
Remember how extended we were when we entered and how **MASSIVELY** extended and due the move is now.

So we enter with 0.12 in the same direction as our other positions on the next reversal alert in our direction. We place our stop just under this low (or a key level if you see one).

This brings our average price down dramatically so we only need a small move in our direction to escape this trade.

There are now 3 outcomes…

1. The market reverses as we expected & we exit with no loss
We let the move happen and we'll be back to breakeven very fast with the opportunity to exit the whole trade. Here we can exit completely and just accept we were wrong and move on to the next opportunity, nothing lost, nothing gained.

2. The market reverses as we bank a nice profit
We let the move happen and we'll be back to breakeven very fast BUT instead of exiting we take profit on our large position and use half of it to do normal DD control. We've turned a bad trade into a profitable one, reduced our pain and have the option for the move to continue and make us more money.

Which of the above you choose will depend on your confidence in this move being the start of the larger move we were expecting when we got in, how your day, week or month is going and how much DD you are in. Only you can decide!

3. The market continues against us
We take a small loss on this aggressive position with our tight stop and just take a small hit. We can repeat this process again multiple times, remember it's going to reverse soon, we know this we've proven it time and time again. If we try 3 times, lose 2 and the 3rd works we'll still be making a nice profit from the last move, making option 1 or 2 above our next decision.

Let's Look at that USDJPY trade I have in DD at the moment.
We'll look at where/how aggressive DD could have been actioned.

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USDJPY M15
Traditional stop here
Reversal alert would have been here.
Total lot size currently is 0.12.
Aggressive DD control would have seen an entry
with somewhere around a 0.06 lot size.
New average after aggressive DD control
would have jumped to around here
Current average of the position
HIGH ADR 125% - 23%
HIGH ADR 100% - 42%
LOW ADR 100% - 42%
LOW ADR 125% - 23%
LOW ADR 150% - 12%
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy

Let's Talk About Martingale.
You will be tempted so let's address it!

What is Martingale?

It's a bit dangerous, that's what it is!

The traditional Martingale sizing technique is the process of **doubling your lot size** to try and recover your losses faster.

A little like aggressive DD control but you start it immediately. It's an alternative method of averaging but most people execute it badly and it ends up being pure gambling.

On the next slide I'll show you an example of how it works if you don't already know.

Lets say you start with 0.02 for your initial position on a £4000 account. Nice and conservative. Let's assume a squeeze hits you, you need to get into 8 positions before the market moves in your favour and you can exit. Assuming here we're NOT doing DD control of course.

At 8 trades you will be trading 5.10 lots! **ON ONE PAIR ALONE!**

That's around £6 per pip! If it pushes any further you'll be in real trouble!

Position 1	2	3	4	5	6	7	8	
0.02 +	0.04 +	0.08 +	0.16 +	0.32 +	0.64 +	1.28 +	2.56 =	**5.10**

What you CAN look at is a hybrid recovery strategy
The EA I developed to automate my strategies DOES have a lot size multiplier function. This was requested my some users and it has produced amazing results in the strategy tester.

BUT try aggressive drawdown control first and see what you prefer. Personally I find it a more comfortable way to trade than any type of lot size multiplier.

Lets look at a couple of "hybrid" lot size multiplier examples and their benefits.

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Martingale Hybrid Recovery Strategy.

Instead of a typical martingale where you double your lots you could employ a much more conservative lot size multiplier like **1.3** or **1.5**.

Here's what they would look like!
1.3 Multiplier

Position 1	2	3	4	5	6	7	8	
0.02 +	0.03 +	0.04 +	0.05 +	0.07 +	0.09 +	0.12 +	0.16	= **0.58 lots**

1.5 Multiplier

Position 1	2	3	4	5	6	7	8	
0.02 +	0.03 +	0.05 +	0.08 +	0.12 +	0.18 +	0.27 +	0.40	= **1.15 lots**

You are still getting into larger lot sizing with 1.5 but 1.3 is more manageable.

CAUTION – use it with limited pairs if you do. One trade per direction per currency so as not to get too deep too fast.

Advantages and disadvantages of hybrid Martingale.

Introducing this technique will obviously help to keep your average price much closer to the current price of the pair you are trading giving you a faster exit and potentially a lot more profit when price reverses and pushed your way.

The main disadvantage of course is your rate of drawdown will be much, much faster and you may have to enact advanced drawdown control quicker.

Hedging Version 4.1 + DD Control	LOT MULTIPLER		
Pair	GBPUSD	GBPUSD	GBPUSD
Entry Timeframe	M15	M15	M15
Lot Size (percentage)	0.2	0.2	0.2
SL Mode	0.5 ADR	0.5 ADR	0.5 ADR
RSI Extension	14 70/30	14 70/30	14 70/30
Aggressive Mode	TRUE	TRUE	TRUE
Fixed TP (in ADR)	1.5	1.5	1.5
ADR Between Trades (in ADR)	1	1	1
Basket Target (£)	10	10	10
Lot Multiplier	**2.0**	**1.5**	**1.2**
IGNORE	RSI	RSI	RSI
Fake SL	TRUE	TRUE	TRUE
DD%	**5.17**	**9.11**	**7.18**
No. trades	189	188	186
Profit Factor	1.8	1.53	1.56
Profit	£581	£406	£401

If you use any type of Martingale make sure you

Start with the smallest lot size you can.
Get in at A+ setups only .
Like BIG extensions of RSI like 80/20.
Or 150+% ADR ONLY rather than 100% ADR moves
(*more on these strategies later*).

If you use any form of it you MUST enact drawdown control regularly REGARDLESS of what profit you have banked. It can work but you HAVE to take the losses and you must have a set of rules you work to.

Give yourself a better chance of escape faster with less positions and limit the number of currency pairs you trade to stop you getting over leveraged.

Want to see Martingale in action?
Of course you do. ☺

Let's let the EA show us what happens.

Someone pick a pair!

END OF PART 4

Next we'll cover THE STRATEGIES, finally!

Any questions on what we've covered so far?

POSITION TRADING BOOTCAMP

DAY 5

- The Strategies
- My exact entry criteria
- How to automate everything

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HERE WE GO!

WHAT I LOOK FOR & WHY.

HOW I ENTER AND MANAGE A TRADE.

THE SETUPS & HOW I EXTRACT THE MONEY!

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This is the part you've all been waiting so patiently for.

I'm going to explain:

The MT4 tools I use to find my entries and exits in detail with setup examples

My process every day and how I get alerted to opportunities

How I automate the vast majority of my analysis and trading

My thought process when I enter a trade

How I plan my initial trade and the additional entries if I need them

What I do when things go wrong and how I get out of bad trades

Lets get started…

MY MT4 TOOLS & AUTOMATION

1. ADR Dashboard – Alerts when pairs are extended today.

2. RSI Dashboard – Alerts when pairs are extended on HTFs so I can enter on lower.

3. Market Reversal Alerts Indicator – Signals my entries.

4. Market Reversal Alerts EA – Automates my strategies (90%).

5. Gap Indicator – Helps me see areas to target or reverse from.

6. Trade Manager Dashboard – Shows me my portfolio exposure at a glance.

The indicators I've developed are to automate or partially automate my strategies. You don't need them and can do everything manually, but these allow me to spend minutes and hours per day trading and not be attached to my charts all day long.

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MY MT4 TOOLS & AUTOMATION

1. ADR Dashboard
2. RSI Dashboard
3. Market Reversal Alerts Indicator
4. Market Reversal Alerts EA
5. Gap Indicator
6. Trade Manager Dashboard

The ADR & RSI dashboards alert me to extended market conditions and tell me to look at the chart to see if:

a. there is a setup I like
b. it's ready now or getting ready so I can either put the EA on to start trading or have a look later/tomorrow. I can see at a glance what is interesting and setting up and it cuts chart time down to minutes a day.

I have MT4 running in the background and just react when I get an alert.

MY MT4 TOOLS & AUTOMATION

1. ADR Dashboard
2. RSI Dashboard
3. **Market Reversal Alerts Indicator**
4. Market Reversal Alerts EA
5. Gap Indicator
6. Trade Manager Dashboard

The market reversal alerts indicator and/or dashboard is used to then get an alert on that pair the ADR/RSI dashboard alerted me to if I want to take a trade.

i.e. RSI dash alerts me that USDCAD is massively extended and in line with current trend I want to trade. I then look for an alert by the Market reversal alerts Indicator/dash for a reversal starting in my direction and enter the trade.

MY MT4 TOOLS & AUTOMATION

1. ADR Dashboard
2. RSI Dashboard
3. Market Reversal Alerts Indicator
4. **Market Reversal Alerts EA**
5. Gap Indicator
6. Trade Manager Dashboard

The Market Reversal Alerts EA allows me to automate the majority of my trading including initial entries and additional positions for a pair and can take profits at the levels I choose.
I DO NOT use it as a "set and forget" EA, I manually add the EA to the charts I want to trade, BUT you can do that if you wish.

i.e. I get an alert from the ADR/RSI dash, I analyse the chart and think "yes that's a good level to start my position".
I open a chart on my VPS, add the EA, tell it the direction to trade, how far apart to get in with entries and what profit I want to make and let it trade for me. I get an alert from the EA every time it closes a position out.

MY MT4 TOOLS & AUTOMATION

1. ADR Dashboard
2. RSI Dashboard
3. Market Reversal Alerts Indicator
4. Market Reversal Alerts EA
5. **Gap Indicator**
6. Trade Manager Dashboard

The Gap Indicator shows me the potential targets price will likely be drawn to when the market pulls back or reverses depending on what type of trade I'm in.

I usually target the nearest gap that is either around an ADR away from my entry/average or below the most recent level of support/resistance.

MY MT4 TOOLS & AUTOMATION

1. ADR Dashboard
2. RSI Dashboard
3. Market Reversal Alerts Indicator
4. Market Reversal Alerts EA
5. Gap Indicator
6. **Trade Manager Dashboard**

The Trade Manager Dashboard shows me at a glance where my portfolio is, what profit is available to take, where issues may be developing that I need to start thinking about drawdown control being activated and what exposure I have to ensure I don't over trade any currencies.

It tells me what my profit is and whats available to use for DD control at a glance.

Every Trade I Take Follows The Same Process

1. I get an alert to a condition in the market I'm looking for.

2. I look at the chart to see if this is in the direction of my overall bias or a good mean reversion.

3. I see if NOW is the time to get in or I think it's got further to go before I enter.

4. I look at my current exposure to see **IF** I can trade this or I am on that pair with other trades.

5. I jump in now OR setup the EA to get me in when the market reverses next.

6. I monitor the trade manager dashboard a few times a day to see how things are going.

7. Trades that need advanced DD control are managed as needed.

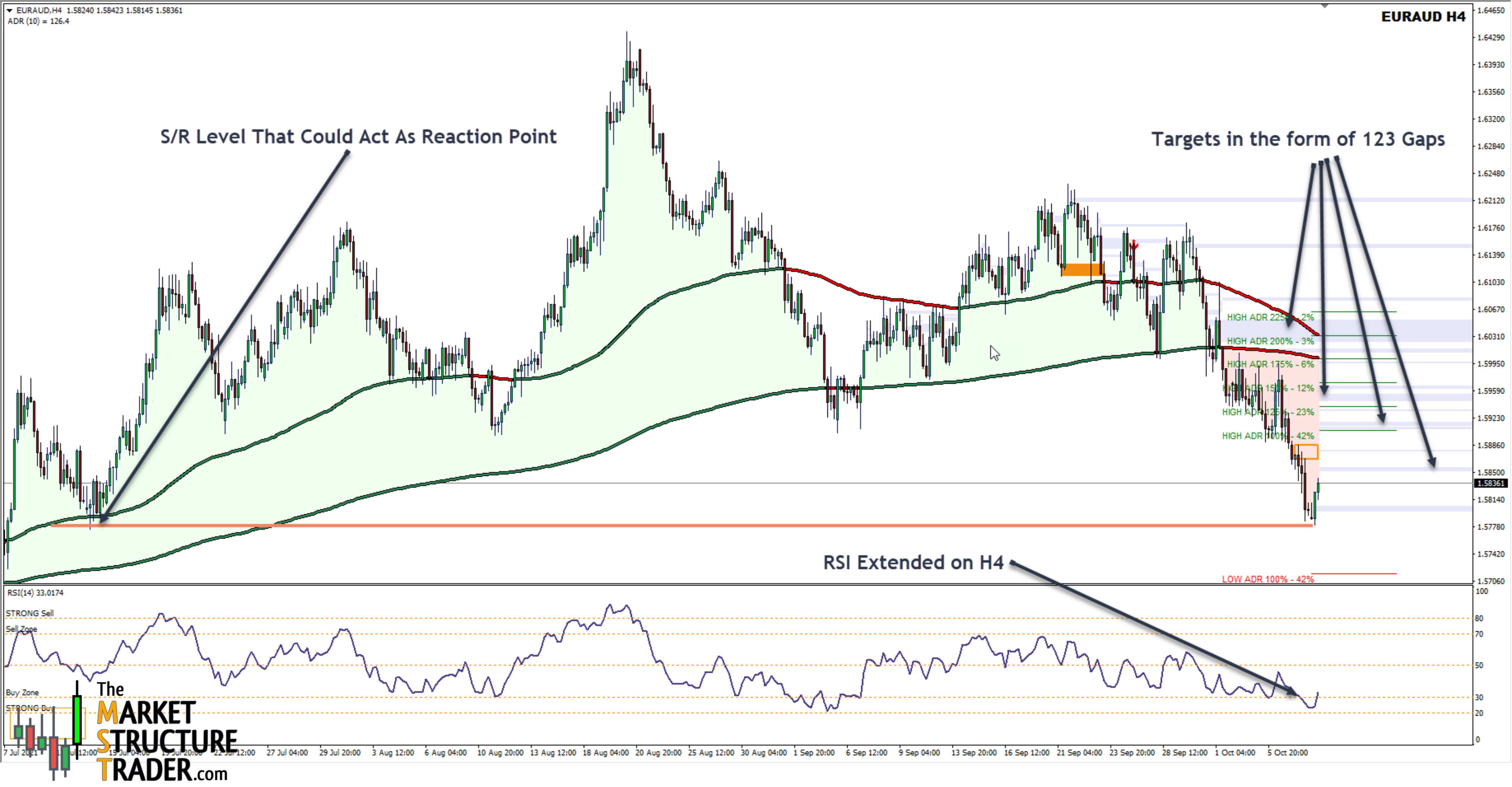
SETUP 1: MEAN REVERSION
MARKET EXHAUSTION WITHOUT PROFIT TAKES (M15/H1)

Tools – RSI Dashboard and/or indicator + Market Reversal Alerts Indicator/EA

Step 1 – wait for an alert that your HTF RSI is above 68/80 or below the 32/20 level. (you choose)
Step 2 – check H4 to see how strong the move has been and if we're due a pullback.
Step 3 – is there a level we are about to reach or have just reached?
Step 4 – are there 123 gaps/propulsion candles as obvious targets?
Step 5 – if yes switch to M15 and get in on the next reversal alert OR put the EA on a chart on my VPS and let it trade for me.

Target – Usually I assume worst case that these will **ONLY** be pullback trades (mean reversion/profit take) and I like to see an obvious target no more than 50% of the way into the move. Use a Fib to measure.
I like to see a good 123 gap/propulsion candle to aim for ideally before the 50% retracement will complete.

Considerations:
Is there any news that has caused this move that may fundamentally change direction?


EURAUD,H4 1.58240 1.58423 1.58145 1.58361
ADR (10) = 126.4
EURAUD H4
S/R Level That Could Act As Reaction Point
Targets in the form of 123 Gaps
RSI Extended on H4
HIGH ADR 200% - 3%
HIGH ADR 175% - 6%
HIGH ADR 100% - 42%
LOW ADR 100% - 42%
RSI(14) 33.0174
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
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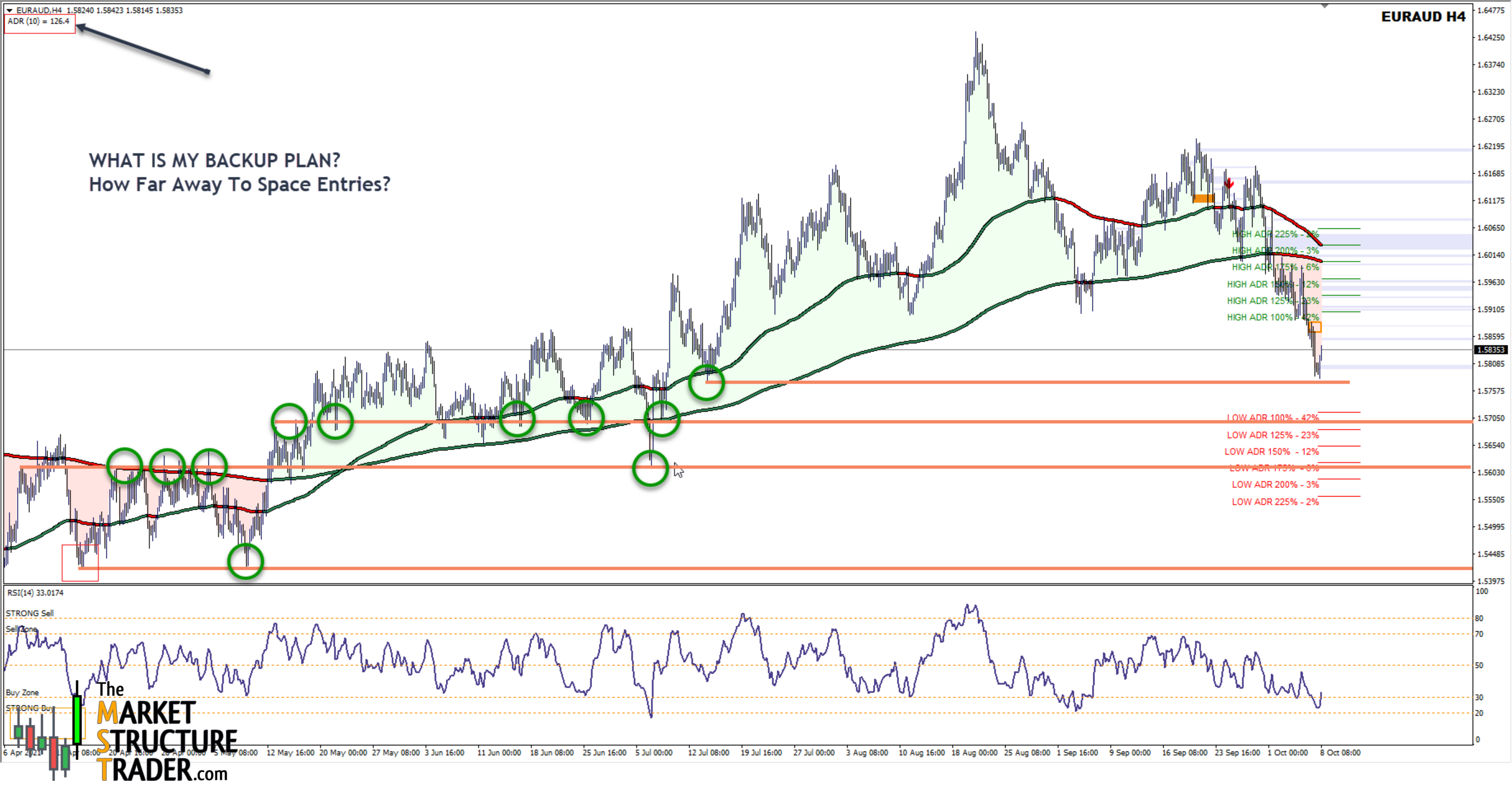
EURAUD,H4 1.58240 1.58423 1.58145 1.58353
ADR (10) = 126.4
EURAUD H4
WHAT IS MY BACKUP PLAN?
How Far Away To Space Entries?
HIGH ADR 225% - 2%
HIGH ADR 200% - 3%
HIGH ADR 175% - 6%
HIGH ADR 150% - 12%
HIGH ADR 125% - 23%
HIGH ADR 100% - 42%
LOW ADR 100% - 42%
LOW ADR 125% - 23%
LOW ADR 150% - 12%
LOW ADR 175% - 6%
LOW ADR 200% - 3%
LOW ADR 225% - 2%
RSI(14) 33.0174
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
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EURAUD,M15 1.58319 1.58408 1.58319 1.58369
ADR (10) = 126.4
EURAUD M15
HIGH ADR 175% - 6%
HIGH ADR 150% - 12%
HIGH ADR 125% - 23%
HIGH ADR 100% - 42%
Reversal Alert signals entry as price is starting to show opposite pressure
Look for targets.
Where is price likely to be drawn to?
Can be 123 Gaps or support/resistance levels.
Ideally we want to target within 1 ADR so we know it's easy for price to reach.
This is where price got extended on the H4 time frame
RSI(14) 72.4077
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
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Reversal Alerts EA taking the trades for us

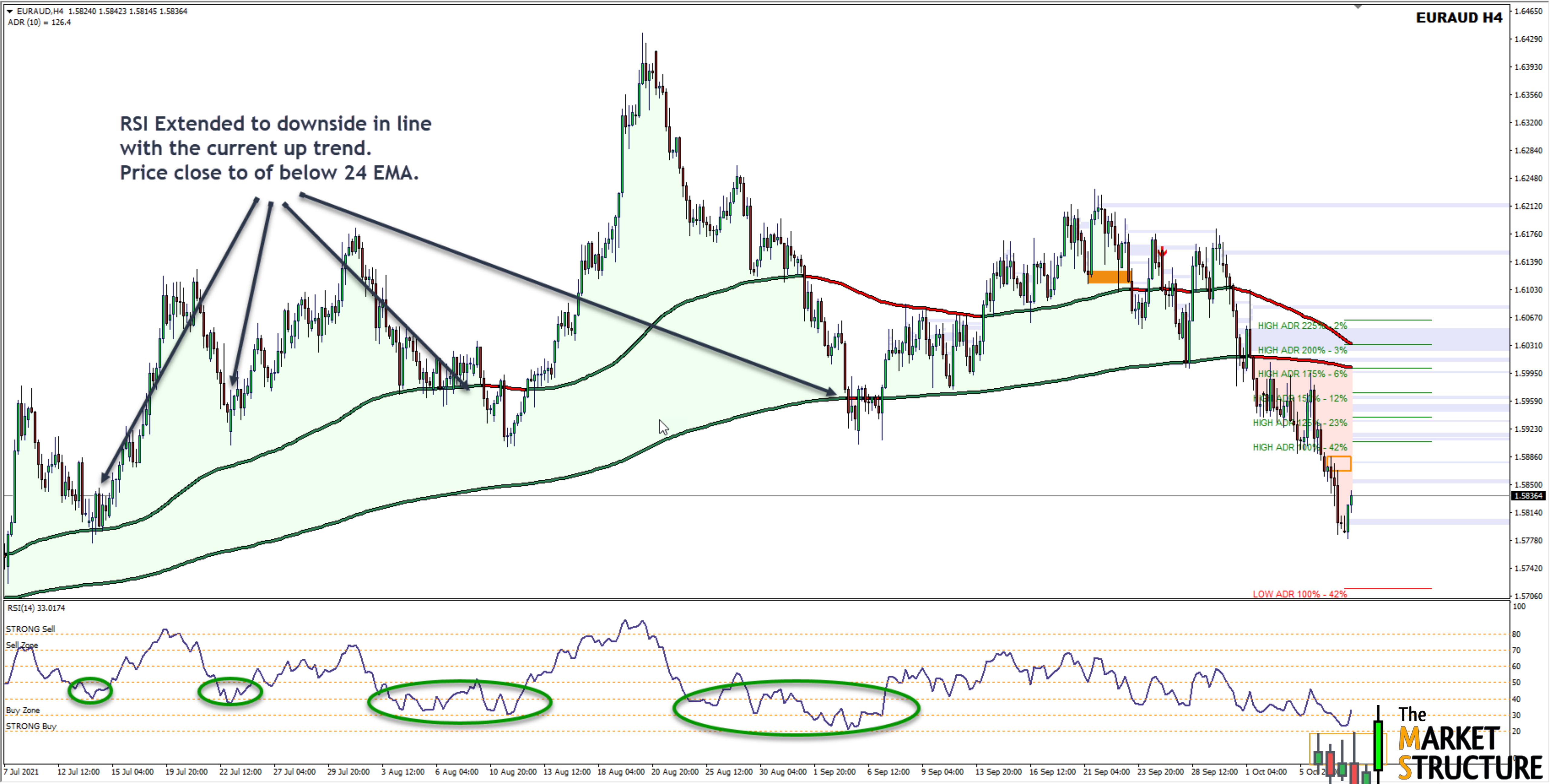
SETUP 2: TREND PULLBACK CONTINUATIONS (M15/H1 entries)

Tools – RSI Dashboard and/or indicator + Market Reversal Alerts Indicator/EA

Step 1 – wait for an alert that 4 hour RSI is above/below the 50 level for aggressive entries or the 60/40, 70/30, 80/20 (whichever you choose) for conservative entries.
Step 2 – check H4 to see if we are in a nice trend or looking like we just started one.
Step 3 – Are we pulling back nicely to the 24 EMA or 72 EMA right now?
Step 4 – if yes switch to M15/H1 and get in on the next reversal alert OR put the EA on a chart on my VPS and let it trade for me.

Target – Usually I aim for a 1x ADR move with the ideal being in and out within a day or so.
I like to see a good 123 gap/propulsion candle to aim for or S/R level.

Considerations:
Are we potentially coming to the end of a long trend?
Ideally we are just about to hit the 24 MA or are positioned between the 24/72MA.
Is there an obvious target below to aim for in the form of 123 gaps/propulsion candles?
I don't like to see new market structure formed or a lot of gaps in the opposite direction.


EURAUD,H4 1.58240 1.58423 1.58145 1.58364
ADR (10) = 126.4
EURAUD H4
RSI Extended to downside in line
with the current up trend.
Price close to of below 24 EMA.
HIGH ADR 200% - 3%
HIGH ADR 100% - 42%
LOW ADR 100% - 42%
RSI(14) 33.0174
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy

EURAUD,H1 1.58319 1.58420 1.58312 1.58394
ADR (10) = 126.4
EURAUD H1
When the H4 RSI got to extended conditions. Below 40 in this case.
Wait for reversal alerts on your lower time frame. M15 or H1 in this case.
RSI(14) 55.0233
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
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EURAUD,H1 1.58376 1.58401 1.58364 1.58371
ADR (10) = 126.4
EURAUD H1
Same rules apply for targets.
Where are the 123 Gaps or support and resistance levels above we should be targeting.
RSI(14) 55.7673
STRONG Sell
Sell Zone
Buy Zone
2021.08.04 04:00
2021.08.10 12:00
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SETUP 3: ADR REVERSALS / SCALPS (M5 entries)

Tools – ADR Reversal Indicator and/or Dashboard + Market Reversal Alerts Indicator/EA

Step 1 – wait for an alert that ADR is hit.
Step 2 –check ***MY*** current directional bias on that pair – do I want to get in?
Step 3 – check H4 RSI level, am I in an area that's setup to go in my direction?
Step 4 – if yes switch to M5 and get in on the next reversal alert OR put the EA on a chart on my VPS and let it trade for me.

Target – Usually I aim for ¼ - ½ ADR move with the ideal being in and out within 24 hours.
I like to see a good 123 gap/propulsion candle to aim for caused by this ADR move.

Considerations:
Is there an obvious support or resistance where we are reaching to right now?
Is there any news that has caused this move that may fundamentally change direction?
Is there an obvious target to aim for in the form of 123 gaps/propulsion candles?


GBPUSD,M5 1.31998 1.32055 1.31986 1.32055
GBPUSD M5
Market Reversal Alerts EA
RSI H4 = 84.39
RSI M5 = 49.48
MA H4 = 1.29595
MA M5 = 1.31424
ADR (10) = 79.3
HTF FILTER = DISABLE
Nicely extended above H4 RSI 80 level
Price pushes above the 100% ADR extension. More conservative entries can wait until 125, 150 etc…
First reversal alert to happen is the entry. In this case it happened after 150% was breached.
HIGH ADR 175% - 6%
HIGH ADR 125% - 23%
HIGH ADR 100% - 42%
1/4 ADR TGT
1/2 ADR TGT
LOW ADR 100% - 42%
LOW ADR 125% - 23%
LOW ADR 150% - 12%
LOW ADR 175% - 6%
LOW ADR 200% - 3%
LOW ADR 225% - 2%
RSI(14) 50.5061
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy

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GBPUSD,M5 1.31649 1.31649 1.31637 1.31638
Market Reversal Alerts EA
RSI H4 = 72.80
RSI M5 = 36.16
MA H4 = 1.29748
MA M5 = 1.31835
ADR (10) = 82.9
HTF FILTER = DISABLE
GBPUSD M5
1/4 ADR target hit same day in this case
1/2 ADR target hit the following day
1/4 ADR TGT
1/2 ADR TGT
RSI(14) 34.6018
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
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Same rules for a backup plan in case things go wrong applies. Look to space out positions based on ADR and look for levels price may react act.

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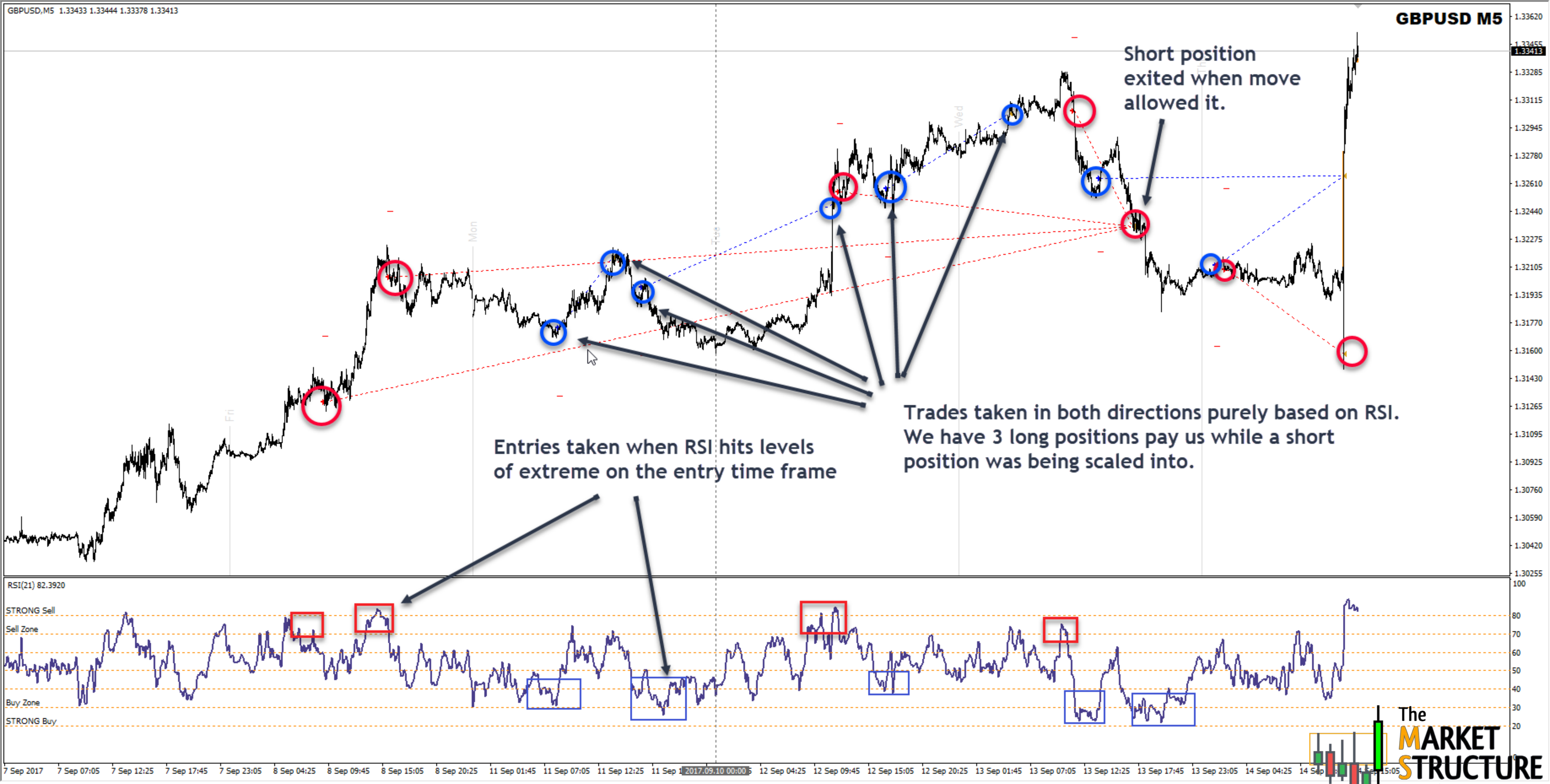
SETUP 4: HEDGING (M5/M15/H1)

Tools – RSI Dashboard and/or indicator + Market Reversal Alerts Indicator/EA

Step 1 – wait for an alert that the RSI is above 60 or below the 40 level.
Step 2 – take the trade, regardless of direction.
Step 3 – scale in if price pushes against your initial entry, space out positions at least ½ ADR.
Step 4 – Take every alert that meets the criteria above regardless of trend direction.

Target – Target is ½ ADR or a monetary value like £10 for the positions. This way you will either just get a ½ ADR scalp profit or if you need additional positions you can target when the profit is £10 (or whatever depending on your lot sizing and account). Hybrid martingale works well here.

Considerations:
This is a hedging strategy so we are looking to profit from the natural ebb and flow of the market. Lower timeframes like M5 and M15 are best suited to this.
When one trade loses and other wins and we only worry about the trades that get squeezed if that happens.
DANGER HERE is we are not getting into positions when the market is extended or using multiple timeframe analysis. DD control may be required more often.



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GBPUSD,H1 1.31685 1.31815 1.31636 1.31815
GBPUSD H1
RSI(21) 31.0382
STRONG Sell
Sell Zone
Buy Zone
STRONG Buy
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Reversal Alerts EA taking the trades for us

All of those strategies are ways to get into the market at potential exhaustion points.

Pick the ones that make the most sense to you and concentrate on them.

DO NOT trade every instrument under the sun.
REMEMBER your exposure.

You WILL find multiple instruments alert at the same time as a currency pushes, so filter your trades out so you do not take too many on the same currency.

Performing your own back testing using the EA
You can easily test and refine these strategies yourself using the Market reversal alerts EA.

NOTES ON TESTING:
1. Always start with control points as an initial test. It is faster and will give you an indication if a change is positive or negative or even the strategy works at all.

2. Ideally test with tick data. You can purchase tick data suite which integrates with MT4 and give much greater time ranges and accuracy for your tests.

3. Once you have a strategy that looks good, back test again on "every tick" setting to give you that confidence the strategy works on real micro data.

4. Apply the strategy to other instruments to test robustness.

5. Apply it to other time frames to see if it performs better or worse.

THAT'S MY SETUPS

Final Notes:

You will have noticed how virtually EVERY setup I take revolves around EXHAUSTION whether it is a mean reversion or trend pullback trade I'm looking for price to be tired.

The RSI is KING.
I never take a trade without consulting the RSI and making sure we're ready for that pullback or reversal.

Patience is QUEEN.
You will have many times where price just consolidates and goes sideways for days or even weeks without hitting targets or getting into more positions. This is part of trading and there's nothing you can do about it. We've got our pies in the oven and they are just taking a LONG TIME TO COOK!

Exposure and over leveraging with too large lot sizing on too many pairs is ALWAYS the downfall of people who fail using this strategy.
TRADE SMALL (0.01/0.02 initially) and get used to being in drawdown, allow the trades to play out and work so you can see how these market cycles work and how quickly 5-10% of drawdown disappears in one swift move on news and your bank grows as a result.

TRUST IN THE METHODOLOGY – TRY IT FOR A MONTH – USE THE LIVE ROOM IF YOU WISH

The Daily Live Room Schedule

Every Day
Profit Analysis + Opportunities

Have a look at whats been banked in the last 24 hours, what positions I have on and opportunities to get into new positions today.

Mondays
Full Market Overview

Look at the latest C.O.T. report, this weeks news, full overview of every FX pair including directional bias and where it's heading, plans for entries.

Tuesdays
Backtest Tuesday!

Backtesting with the EA, strategy development and idea generation based on the market reversal alert indicator or any indicators that look good. Manual and automated backtesting strategies.

Wednesdays
Mid Week Analysis

Full look at every FX pair and see where we've got to and where we are likely to head for the remainder of this week.

Thursdays
Live Lesson Day

Live lesson day. A diffrent lesson every week delivered live, picked by live room members as requested so you can interact and ask questions.

Fridays
End of Week Profit Analysis

A look at the past weeks trades and see how they played out. Learn from them and see where we can improve every week.

Q&A

YOU'RE DONE

WELCOME TO THE 5% CLUB

LET'S TRADE!

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