

3clipz3 System: “DTB -Rock Paper Scissors Trading”

Objective:

To play on the weaknesses of the market environment like playing Rock Paper and Scissors but seeing first what the market has chosen to do, then you can choose your game play for that session. Combines 3 trading styles of scalping support and resistances with tight stops, break-out (Semafor 3 Hourly Break-Outs) and reversals from resistance areas on the daily chart. (Semafor 3 Hourly Reversals) into one trading plan. Also incorporate some Fundamental indicators to help predict price action. In short, this strategy allows you to see in advance and take break-outs, see in advance reversals swings and scalp on daily Fibonacci retracements, all the while predicting when they are likely to occur. If you lose on day in reversals, you can average out by your gains in breakouts and scalping, or better yet if you win them all you are just taking more of what the market is offering.

Trading Style:

Trading 3 styles for a higher probability of end-day or week success rather than trading one style like most traders do. We strike with few heavy hits and many small hits using only limit orders. Strike big when the market is weak from an hour and daily chart and quick scalping strikes. All styles are built around tight stop losses, larger rewards and “betting double” on losing trades. Scalping, break-outs and reversals are held longer and use stops to secure profit and allow winners to run. There is no timeframe bigger than 1 day candles used not because this system is designed around trading in the most recent moment around “now.” This system also supports Fundamental Analysis such as watching the Stock Market and of course awareness of news releases. You will likely be both long and short on a currency pair so you will need 3 separate accounts: Scalping, Break-Outs and Reversals.

Pip Potential:

Expect no specific pips from the market or this system. Take what it gives when the opportunity pattern appears without thought or hesitation if it's going to work or not. Good news is that what is considered a “trade opportunity” happens all day long. If trading a break-out on just currency pair can make you 20-40 pips, trading a reversal for 20-40 pips, and scalping 20-40 pips on daily Fib retracements: between a breakout, swing trader and scalper can make a total of 100 daily pips on 1 pair. Some might think 100-200 pips a day is a lot and if you think of it as the market moves tens of thousands of pips on one currency pair each day, 100-200 isn't being greedy, unrealistic or overtrading at all. You decide your limits, nobody else so just take what the market gives you.

Indicators:

Drain The Banks V.2 Indicators & Template

3_Level_ZZ_Semafor

SP_Range

TRO_Multimeter_CandleColor MT4

Level_ZZ_Semafor_345

SHI_Channel_True

Fib_Retrace template

Setup:

*To show only Semafor #3, edit indicator inputs, change Period1 and Period2 to 0.0

1-Minute Chart:

-Place Drain The Banks V.2 Template MT4

-Place TRO_Multimeter_CandleColor MT4

-Place SHI_Channel_True

1-Hour Chart:

-Place 3_Level_ZZ_Semafor

-Place TRO_Multimeter_CandleColor MT4

1-Day Chart:

-Place TRO Fib_Retrace template (not required, just helps see possible daily retracements)

Statistics & Other Tools:

-<http://www.forexfactory.com/calendar.php?s=3fde460a2c3d5f49d076179d04668430>

-http://finance.yahoo.com/#market_summary_us

Rock: Break-Out Attack Strategy “White Sema6 Break-Out”

Market Symptoms: Major pairs are headed to test a white Sema6 on the 1-minute time frame that likely break 20 or more pips. Multiple pairs simultaneously, are most profitable for this strategy but can be taken no matter the market condition. The large changes in strength or weakness in the USD can give violent 100 pips in an hour on a single currency. If stock market is green say, USD has bearish pressure and when red bullish pressure. +100 or -100 on the DOW can cause break-outs. (When there is market panic, people put their money in the safest currency USD)

1. At some point, when the #6 white semafor line gets too long (40 minutes or more) the probability of price breaking increases. This means price hit a high once before and is now testing it again for a possible break) Sema 3 hourly break-outs often but not always appear if price breaks a line of white sema 6's on the 1-minute chart. Usually you will get about 1-2 of these per day per currency pair. Statistically, these trades appear between 30-minutes before London open to the New York session.
2. If you see price heading towards a long line-up of sema 6's 20+ on the 1-minute chart, put your order on that price. If there is another line of semafor for example sema #5's not too far (I just use my judgement) before the sema #6 line, take that break-out trigger.
3. You look to take multiple break-outs if for example the EUR/USD is headed to the trigger, chances are the USD/CHF is. You can hold these for 20-100 pips profits for maybe the next few hours until you really see the hourly candles form a support.
4. Cut the “small” trade at -7 pips. Consider this a pause, and increase your position double or more at the same trigger if price does come back, this is your “original position.” If the 2nd attempt fails, leave the break-out trade alone. This is a strong indicator there is still a lot of resistance and the break-out might not be as big anyhow. You can still look to trade the reversal trade even if the break-out does eventually happen.
5. If you see at least 20 pips profit and price heads against you, cut the trade at -7 pips. When price hits 20 pips close 70% of your position. 25% of your position target 40 pips or -7. If you hit 40 target, close 4% at 60 pips have a stop loss of +10-15. If you hit 60, the remainder 1% will go for 80 pips or stop at +15-20 profit. When the break-out trade hits the 20 target, the trade is basically put on auto-pilot and up to the market. When its put on auto-pilot proceed on trading the reversal method.

Special Note: If you get the 20 pip target and price is headed back up against you don't panic and close the trade. More than often price will come back to **TRY** and wiggle you but remember we took a S/R price that if it broke will likely now resist/support in your favour. So don't be surprised that after you hit your 20 pip target price comes back up and put you at B/E or -5 then rockets down to give you your 40, 60 and 80 targets. This happens VERY often in my experience.

Paper: Scalp Attack Strategies: (EUR/USD and USD/JPY)

Ideal Market Conditions: The 1-minute chart shows unbroken Sema 3,4,5 and 6 lines of unbroken on DTB V.2. This shows that there isn't much "repainting or adjusting" and the market is trend bouncing nicely off support and resistances. Spreads are preferably under 1 pip and no more than 2 pips. This strategy works great during the start of London and NY lunch from 12-1:30pm their times respectively and also the NY session close from 4pm-7pm EST.

1. Watch the 1-minute chart with DTB V.2 template setup. When a semafor number shows, wait for that minute to close and if the next Semafor opens at the same level, and price has still stalled and not reversed up yet, enter immediately for the reversal.
2. We do this because of two odds. First is that a few minute in the future, that line of semafors will not break right away and form the lines and will look great in hindsight forming a nice line of semafors. The second edge is that whenever price stalls for a minute, it is likely to reverse.
3. If that 2nd semafor breaks that away from the line, exit the trade immediately because this means price is still breaking out. This is also famously known as "a repainting semafor indicator," and we are exiting as soon as it repaints. We are basically attempting to get-in "at a bottom/top" of a scalp retracement with the intention to take a few pips.
4. Since the 6 is the highest semafor number, price often reverses the hardest from that. Given that theory, the bigger the semafor the more profit we can scalp for the reversal. So if you are trading a reversal of a sema 3 line, go for 3 pips profit, sema 4 = 4 pips profit and so on and so forth.
5. Since we are exiting the trade right when price breaks against us, we can afford to re-enter at a possibly a better price where there is likely to be a reversal scalp. Remember that if a sema 3 line breaks against you, the next semafor might be a sema 4 which can be a stronger supporting line, plus you can take 4 pips instead of 3.
6. If you lose the first trade, keep increasing steadily your next position by 50%. You are allowed to lose a max of ½% of your account. If you fail all three it means price is breaking out too strongly for a reversal and you will wait, watch and miss out as the market reveals where the retracement reversal was. Or just wait out for the hour. Then you are refreshed to take the next line trigger that forms.
7. If you win the trade on the sema line you are done with the trade. Chances are the semafor line has gotten longer and is now weak for a break-out if price comes back down. In other words, NO DOUBLE DIPPING triggers.

Scissors: Swing Attack Strategy “Sema3 Hourly Reversal”

Market Symptoms: Major pairs are having sema 3 hourly break-outs (if any) one at a time not simultaneously. Daily resistances are easy to see and are usually from the within around a week. If you cannot spot the areas clearly, don't trade this strategy.

1. Look to use this strategy after you take the break-out trade. Usually you will get about 1-2 of these per day per currency pair. After break-outs or the day session is over, price often retraces back to at least 1 daily Fibonacci dot price level on the Fib_Retrace template.
2. Look at the daily chart and pick strong support or resistance areas for your triggers. Draw a line in your mind to where price is at on the daily chart and look for days where it reached that high. Consider these strong reversal triggers other traders will be looking for to take profit or take reversal trades.
3. If your spread is 1 enter your reversal trigger 1 pip below the trigger. Put an order after price has passed a minimum of 5 pips from your trigger. This will help prevent drawdown and allow you to get carried by price VS guessing that price will reverse on your trigger to your profit target.
4. If price does move against you, cut it at -15 and look for a stronger resistance point to take a reversal by looking at the daily chart. If there isn't another obvious resistance point, re-enter your trade (regardless of spread) at a better price but with a 50% increase position size. Have a stop loss of -15 pips on this position. If this fails, ignore the reversal trade as this might not be the top of the break-out yet.
5. Exit strategy is the almost the same as break-outs. Close out 70% of your position out at 20 pips, and 30% at 40 pips. While the reversal trade is holding, monitor it and continue with the Fibonacci scalping as the reversal keep pulling back.

Money Management:

Never risk more than 5% of each total account per trade period (or have trades on risking 5% total) If two go against you that could be -10% of your total account so if you are doing multiple trades on a strategy, keep it under 5% risk.