

3clipz3 System: “DTB -Rock Paper Scissors Trading V1.3”

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 psych line bounces, swing break-outs (Semafor 6 Line 1-minute Break-Outs) and reversal swings from net daily pip change limits. Also incorporate some Fundamental indicators and also daily prediction from Dr.Sivaraman. In short, these strategies allows you to see in advance and take break-outs, see in advance reversals swings and scalp quick pips, all the while predicting when major moves are likely or going to occur with the help of hourly fib projection and doctor Sivaraman’s predictions. If you lose on the day in reversals, you can average out by your gains in breakouts or 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 put up our biggest bets on swinging breakouts for 40-50 pips, scalp psych bounces for 3-20 pips, and swing reversals for 40 or more pips. Scalping, break-outs and reversals all use stops to manage risk. 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 some Fundamental Analysis such as watching the Stock Market and of course awareness of news releases. Breakouts are taken only in the session direction of Dr.Sivaraman’s predictions. You will likely be both long and short on a currency pair so you will need 4 separate accounts: Scalping, Break-Outs, and Swing Reversal trades.

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. We are purely trading the statistics like a true professional trader does. If trading a break-out on just currency pair can make you 40 pips, trading a reversal for another 40 pips, and scalping an extra 15-40 pips: between a breakout, swing trader and scalper can make a total of 100 daily pips on 1 pair. Some might think 100-500+ 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, 100-500 isn't being greedy, unrealistic or overtrading at all. You decide your limits, nobody else so just take what the market gives you. But keep in mind that if you are past your goal for the day, trade lighter positions or quit if so you don't start giving back profits to the market.

Indicators:

Dtb_rps_1min Template (mod of Drain The Banks V.2)

Dtb_rps_1hour Template

Dtb_rps_1day Template

3_Level_ZZ_Semafor

SP_Range

TRO_HL_FIBS_PROJ

BullAndBear_TRO_MODIFIED_VERSION

TRO_Multimeter_CandleColor MT4

Level_ZZ_Semafor_345

SHI_Channel_True

Setup:

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

Open Dtb_rps_1min Template on 1-minute chart, open Dtb_rps_1hour Template on 1-hour chart and place Dtb_rps_1day on a daily chart.(daily will help see possible fib daily point retracements)

Statistics & Other Tools:

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

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

-<http://blogs.fxstreet.com/marketreadings/>

Money Management:

Never risk more than 3% of each total account per trade. Always think of how much you can afford to lose on each trade before you look at what profit you are going to take.

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

Market Symptoms: Break-outs are created by the big players. Some are for swings while others are created for stop-hunting. You can see Dr.Sivaraman’s stop-hunt predictions on his blog.

Major pairs are headed to test a white Sema6 line (typically more than 4 hours long) on the 1-minute time frame that typically within 1 hour breaks at least 40 pips. Cross pairs like GU and GJ can be often taken for breakouts simultaneously. There is a debate on coincidence or correlation of the stock markets and currency pairs. You will often see 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. One fundamental theory is 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 (3 or more hours) the probability of price breaking increases. The longer the line, the more violent the break-out because the more stops are there that are going to get triggered and cause an acceleration on the breakout. 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. You will find the break-outs a few hours before London session open and a few hours after to the New York early and after lunch session.

2. If you see price heading towards a long line-up of sema 6’s on the 1-minute chart, put your order on that price. (You can also spot good break-out lines on highs and lows areas on the hour chart.) Make sure you adjust your price in respect of high spreads so you don’t get in trade before the sema 6 line is breached. The whole point is to ride the break-out as the stops are being triggered and trade with other breakout traders.

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 40 pips profits. Don’t risk too much as if one break-out fails often the others will too. Take your risk and spread it out over the number of break-outs you are going to play. We want to worst case survive long enough through losing streaks and win on the statistics.

4. Put your take profit on 40 pips on EU, EJ and 50 pips on GJ. Place stop losses of 80 pips on all trades. We are swinging the break-outs as you’ll find 90% of the time when the 6 line is breached, it may go against you as much as 50 pips but eventually breaks through. The advantage of swinging the break-outs is that we are trading in the direction of the trend. Many traders I know try reversing on break-outs trying to guess the tops and bottoms only to find it runs them in serious draw down. We find ourselves in serious and quick profits 90% of the time as we ride the train and not jump in front of it. Besides, reversals after breakouts take hours sometimes a whole day to even see comparable, in my experience it’s much quicker and less risky to go with the break. More fortunes have been lost trying to find the “top or bottom.”

Special Note: As the 6 line break on break-out, a possible sign that the break-out is finished is when 1-minute semafor appears on the opposite side. This brings us to “ Break-out Retest Sema Scalp.” EU, EJ, GU and GJ are the only pairs in play. The UJ has statistically shown less chance of success so is avoided.

Paper: Scalp Attack Strategies:

Ideal Market Conditions: The 1-minute chart shows unbroken Sema 3,4,5 and 6 lines. This shows that there isn't much "repainting or adjusting" and the market is trend bouncing nicely off support and resistances. Those semafor are also forming at the top or bottom of price. This strategy does not work well when market is breaking out violently one direction or stop-hunting is expected or happening.

Strategy 1: Retest Psych Scalp

1. This trade is taken after the breakout. After the sema 6s stop breaking on the 1-minute chart, price reverses and forms a semafor on the opposite side. As hard as price might reverse after a breakout, price will always come back to retest the break-out. We profit on this pattern that appears universal on any currency pair, "the attempted break-out retest." The doctor would say that the players are responsible for this pattern but regardless of the reason, it always happens.

2. Once the reverse semafor start appearing, put 40% of your position on the first psych price trading back into the direction of the break-out. If price breaks 25 pips against you to drop to the next psych price, put the remaining 60% there. Your window of opportunity is sometimes under 1 minute so you have to be very quick! For this reason I use 1-click button market orders if the first entry.

2. Your take profit and stop loss target is the first 1-minute semafor that appears in the direct of the break-out. Worst case scenario your first entry gets out near break-even or a few pips loss and your 2nd entry closes in profit. Best case scenario you grab 10-20+ pips scalp or price breaks out again and you can take profit right away or try and ride the break-out for as much as you can until you see a stall.

3. Remember that psych prices make great bounce plays to use in your favour, especially since we are always trading this scalp in the direction of the hourly/daily trend. If price just goes against you, cut the trade at 2-3% of your account and understand it was probably a stop hunt for the break-out traders.

Strategy 2: 2nd Psych Scalp

1. This trade is best taken in the direction of the hourly trend or daily candle. The trend is your friend right? This strategy is almost identical to the Retest Psych Scalp. Put 40% of your position on the first psych price trading back into the direction of the break-out. If price breaks 25 pips against you to drop to the next psych price, put the remaining 60% there.

2. Your take profit and stop loss target is the same first 1-minute semafor that appears on the opposite side. Manage the risk with a 2-3% of your account stop loss.

Scissors: Swing Attack Strategy “Sema3 Hourly Reversal”

Market Symptoms: EU and GU are having sema 3 hourly break-outs (if any) one at a time not simultaneously. Reversal is the next phase after a break-out. DO NOT reverse on a break-out until you see a semafor finally appear on the opposite side of price signalling the break-out is possibly exhausted and it's safe to go for a reversal. My swings are a fraction of my breakout trades sizes as I find they take longer to see 40+ pips profit.

1. Doctor Sivaraman teaches about how the players have net daily limit for EU and GU. EU has a 150 pips and GU has 250 pips limit that the players usually follow and if they break they don't break much further even on an extended stop hunt. Monitor them here http://www.i-knowindices.com/saxo_bank.htm and wait patiently till these limits to approach for this strategy to be in-play.
2. Once you are in the swing there is no set take profit or stop loss. This is where you use your market analysis skills and everything you've ever learned to grab as much as you can. This is where you get to have some fun in seeing how good you are in seeing price action and when it's time to “get off the train when you see the ride is over.” Use trailing stops or set stop losses to secure profit if you wish. If you are taking this trade this means you already would have won the break-out trades and any profit you get in this is all just a bonus.
3. Use hour candle patterns or spot a series or one massive hourly wick to see where price direction is strong, “body in direction of profit wicks in direction of loss.”
4. Use the TRO Bulls & Bears indicator as a guide to help see when it would be a good idea to close the swing. Usually the first bull or bear attempt cross over is a false move and will break down/up further. It's a good idea to wait until some hour candles close and a clear cross has shown indicating you might want to close your swing at the profit you have. A definite cross-over, even though a lagged indicator, is very accurate in determining the when change in trend is about to begin. In my experience this first attempt on the hourly chart to turn the trend is the false turn and normally the 2nd or 3rd attempt is the real turn.
5. Look at the stock markets and see if they are green to support bull power on the EU and GU. If your swing is held on for more than a day, wait and see what Dr. Sivaraman is forecasting for the next day. If he is predicting price to move in your favour, see if his prediction looks to be playing out correctly and hold the trade to maximize the profit.
6. With your scalp account, you can scalp any method you wish against your swing as long as it's a smaller position than your swing. In this way your swing acts as sort of a hedge where if your scalp loses, it's actually more profitable for you and if the scalp wins, you take profit in right away! As rare as this trade may happen, once you're swing is in a good amount of profit (40+ pips), it opens a window of opportunity where you can take as many scalps as you like without the possibility of losing!