



FX Street Webinar

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Tools & Set ups for trading

- Know how;
- To Id entry and exit bars
- To draw trend lines
- ID Key intraday support and resistance levels
- ID the Asian Range and understand its importance
- Draw Fibonacci retracement level
- Draw Fibonacci extensions or targets
- Know why round numbers are also key levels



Business Plan

- Where I'm now?
 - Where do I want to be?
 - How I'm I going to get there?
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- Where is price now?
 - What is it doing?
 - How can I get involved? (remember there are 3 trades
Long, Short & Flat)

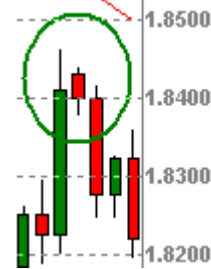


Basic Technical Analysis

- Trend lines
- Support & Resistance
- Round numbers
- Previous highs and lows
- Fibonacci levels
- Asian Session highs and lows

Price action

Entry & Exit bars Hammer's spinning top's & Doji's



Trend Lines

- There are two ways to draw trend lines
- Left to right – No breach of price in between
- Right to left – Uses the most recent swing levels
- Both require the ID of a swing high/low.
- Swing high – bar preceded and succeeded by lower highs
- Swing low - bar preceded and succeeded by higher lows

Trend lines - Swing points



Trend Lines — left to right



Trend Lines — right to left



Key Intraday S/R level — Asian range

- The Asian range is important for a number of reasons
- Typically we can define this by time, between approx midnight and 8am GMT (this will change with daylight saving hours to BST)
- There are exceptions which are usually obvious, price may for example be consolidating already prior to the start time.
- Another method to help ID this range is to look for a price range of less than X pips, for example, on GBPUSD I would look for a range less than approx 40-50 pips.
- It is important because, of the UK money flow that starts at this time, this means (usually 😊) increased potential volatility and therefore greater potential to see trending moves... you only need to look back on any of the majors to see this is more often than not a typical scenario.

Key Intraday S/R level — Asian range



Fibonacci — retracement levels

- Keep it simple!
- Use our swing high/low definition to find start and end point for retracement levels
- Looking for a thrust move
- Literally use the start of a move to the end of a move with your Fib tool, the levels will be calculated for you.
- Although there are more than on the following example the common ones are 38.2%, 50% & 61.8%

Fibonacci — retracement levels



Fibonacci — extension levels

- Keep it simple!
- Use our swing high/low definition to find start and end point for retracement levels
- Looking for a thrust move
- Literally use the start of a move to the end of a move with your Fib tool, the levels will be calculated for you.
- Although there are more than on the following example the common ones are 61.8%, 100%, 138.2% & 161.8%
- I prefer to use only 100% extension, although I have others on as well.
- Once I'm in a trade this gives me a reliable target to get out 😊

Fibonacci — extension levels



Support, Resistance and RN's

- Support and resistance are price levels very often overlooked.
- Price is king, end of story.
- Obvious S/R levels can be seen on the chart, the Asian range is one we have already looked at.
- Previous days highs and lows are also as important... price has stopped at these levels for a reason, usually price has moved by its average days move, which is actually a very common occurrence. For GBPUSD, currently, this is approx 120-140 pips and USDCHF in our examples is approx 100-120 pips.
- Again, going back to our swing high/low definition we can use this on larger time frames to ID significant support and resistance levels.
- My favourite time frames are 240 min and 60 min as well as the daily and weekly charts.
- **LCE**

Support, Resistance and RN's

- Round numbers offer a psychological barrier, and for this reason things simply happen around them
- moves start end or pause at these levels, traders use them for entries, scaling and exiting positions
- They offer up good places to watch for potential entries and exits.

Support, Resistance and RN's



Trend Line Break

- Trend line working from right to left.
- Use a swing point defined as for a high, a bar preceded and succeeded by lower highs. For swing lows a bar preceded and succeeded by higher lows.
- Use the most recent swing high/low and the last swing high/low to connect your TL.
- You can grade these by looking at the number of bars before and after the swing points. A grade 4 swing low for example will have 4 higher lows before and after it.
- A simple way of find only grade 4 15 min trend lines is to find grade 1 60 minute swing points to connect.
- Once you have ID'ed your TL you can zoom into lower TF's to assess a break of the TL. Basically you are trading a pullback after the break of the TL.
- Stop – behind the pullback high/low
- Target – is the highest/lowest point in price between the two swing points added to the break out point.

Trend Line Break

