HGI

HOLY GRAIL INDICATOR

A Complete System To Trade Any Market Condition.

By Nanningbob (Compiler)

Milanese, Elixe (programmers)

Steve Hopwood (who put us all together)

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INTRODUCTION

The 10.0 series started June, 2011 at Forex Factory and continued as10.2 and up at Steve Hopwood's Forex Forum. I Suppose I am going to try to do something that most people including professionals consider insane and impossible. I am going to try to take everything I have learned about Forex and put it into one indicator. This is an attempt to show a trader how to trade any market anytime of any day. About the only thing I cannot account for is news spikes but the reason for that would be quite obvious.

This is a culmination of all my trading systems. In HGI you will see elements of all my previous systems wrapped into one. Some of you may think, isn't this going to be confusing? What HGI attempts to do is put all the info reads into one indicator and will mark every move of the market and classify it as to what the market is doing. In its simplest form HGI is designed to tell you: I should trade this market this way. It is going to attempt to tell you: range trading begins/ends here or trend trading begins/ends here, should I continue to follow the trend or range or should I change my trading directions. When should I look to close out and when should I look to reverse. Should I hang onto a trend trade and reenter or should I just take my profit. When I get done explaining these principles to you, you will know with one look at the chart:

     1. What was the market doing just now?

     2. What probably will the market do next?

Having this kind of information gives you a leg up over every trader on the market. Impossible you say. I only ask that you keep an open mind and let all your previous training and knowledge be set aside as you consider the possibility that it can be done. Of course, no system is 100% accurate but I think you will find this system gives very solid tradable signals. Obviously, the unexpected can happen at any time, no indicator can predict what central bank officers will say at any moment but big runs or small you will have a trading tool I think will become one of the most valuable ever seen in trading. I have never seen a trading tool that gives you as much information that is accurate over such a consistent period of time in such a simple concise form. Even beginners will be able to read the market with HGI.

So what makes this different than all the other system and ideas out there on the market. Well, HGI is going to try to do 8 things I have not seen done before.

1. Tell you when something has started.
2. Tell you when something has ended.
3. Tell you something will continue
4. Tell you something will not continue
5. Tell you when to enter a trade.
6. Tell you when to get out of a trade.
7. Tell you where to put SL
8. Tell you when to reenter or multi-level a trade.

<u>ALL ON ONE SCREEN WITH ONE INDICATOR</u>.

KUDOS OR ACKNOWLEDGMENTS

Even though my name appears at the head of the thread, this is not my work. It is the work of hundreds perhaps thousands of traders who have contributed their thoughts and ideas over the years. However, there are certain individuals whose mastery of coding or other works have made this what it is.

Elixe is my hero. He took my 240 warning system and added the TMA_SLOPE reads and put them together into one indicator. Instead of having to go to the TMA_SLOPE and read market directions they are now combined into the indi and the direction of the market for each currency are marked on the screen. You will no longer have to read the TMA_SLOPE indi, there will be symbols on the screen that will tell you range, trend, continuation, stop continuation, reverse, entrance and exit points, SL placement, reenter trend, all on one screen, all done by one indicator. It is like he entered into my mind and saw what I saw on a screen and codified it. If you want further information of how the 240 buy/sell indi worked go here: http://www.stevehopwoodforex.com/phpBB3/viewtopic.php?f=38&t=3871&sid=bd1954551c18127a945d0d68b483e5a9

Milanese is my hero. His hard work and dedication of trying out my ideas and making indis work correctly cannot be over stated. Over and over again he took ideas and put them into indi form and made them work. He had a large part in fixing things up for the final product.

Baluda is my hero. His work on the TMA_SLOPE several years ago was a stroke of brilliance. Because of his dedication and hard work we have had the best tool I have ever used in trading and that is the TMA_SLOPE. I owe my last several years' profits to that indi and its guidance and direction. Now it has been put together into simple reads on the screen. If you wish to study Baluda's work go here:

http://www.stevehopwoodforex.com/phpBB3/viewtopic.php?f=45&t=629
http://www.stevehopwoodforex.com/phpBB3/viewtopic.php?f=45&t=2905

If you want to know how the 10.7 TMA_SLOPE indi worked read the 10.2 TMA Slope and 10.4 Info page then go here:

http://www.stevehopwoodforex.com/phpBB3/viewtopic.php?f=38&t=3556

Steve Hopwood is my hero. His vision and dedication to starting this Forum and keeping it focused on trading is a breath of fresh air. His MPTM is a staple in my trading tool chest along with several of his EAs and scripts. I don't know where I would be without him and his core group of friends here at the forum. I owe him a great deal of gratitude and thanks.

www.stevehopwoodforex.com

I could spend pages telling you of people through the years who have helped me become a decent trader. I am not a super star and I will never make a list of the great traders of the world but I have learned to listen to others and month by month and year by year I have been able to grow my account and become modestly successful. If you are interested in some of my thoughts about trading go here:

http://www.stevehopwoodforex.com/phpBB3/viewtopic.php?f=38&t=3627&sid=5d6268562407b06d0f6ee8d9fa7e9367

If you have already read this section you can skip to the indicator pages.

10.4 FINAL EDITION
BY NANNINGBOB FEB. 2013

INTRODUCTION

I promised a trader that I would write this edition in a way you would not have to go to any other editions to understand what I am trying to say. Even though I may mention other systems they were all learning formats to this one. In 10.4 I have attempted to define all the basics of trading. It will be a stand-alone system by itself even though you may add or subtract what you already know from your own familiar tools in trading.

When I started the 10.0 series it was to finally define all the terms into specific events on a chart. I started on a 1H chart, defined a trend and away we went. Then we progressed to the 4H, daily, weekly, and finally now the monthly chart to determine trend direction. I think I will really open some eyes when I show you what I have learned. A lot of things I had heard in trading began to finally make sense.

- "Trade in a way to trade another day"

- "Let your winners run"

- "Buy the dips in an up-trend"

- "Sell the rallies in a down-trend"

- "Follow the trend"

- "The trend is your friend" (YEAH RIGHT)

- "Trade low leverage"

- "Sometimes the best trade is not to trade"

- "Make sure you have a win to loss ratio of (take your choice) 2:1, 3:1, 1.5:1"

- etc. etc. ad-nauseam; add your favorite phrase here: _____!!!

All those phrases don't mean anything unless they are defined to a point you can actually do them. Imperfect as I maybe (just ask my wife, she will tell you) I finally decided to attack this problem 2 years ago and the whole 10.0 series is my journey to that end. Thousands have

followed given their opinions and added to my knowledge. Others have spent long hours writing programs, indicators, EAs, etc. only to find out that these added to my knowledge and I made more changes. I am sure there are some that don't want to deal with me anymore. Yet I am totally grateful to their contributions over the years. I am even grateful to a guy named Bill who came onto one of my threads and told me I could never trade like that and be a winner. So for the next year I posted my trades every day to show him I could. Wasn't always easy but that was the way it was. People respected me because I laid out my trading plan everyday and showed up the next day whether I was a winner or a loser. One April I made over 4000 pips, the next month I lost almost 3000. The guys in April thought I was great; the guys in May thought I was the biggest loser. I still made almost 20,000 in pips that year. But I wasn't happy with that because that system had a flaw when the markets became very volatile. So I started the 10.0 series and started with a simple question. What the heck is a trend anyway?

SOME STUFF YOU NEED TO KNOW BEFORE WE START

Before I start please refer to Dark Star's thread on what is the Forex market. This is so valuable that you understand what you are trading and the atmosphere you are trading in. His insight will get you through the rubbish that is often presented in Forex forums.
http://www.forexfactory.com/showthread.php?t=7484

Simply put Forex is about the exchange of money between nations, corporations, businesses, and individuals and can produce over 3-5 trillion dollars a day in exchanges. What it is not about is traders or investors. The stock market is moved by traders and investors but not Forex. It is important you understand this because you must realize that at anytime Company A from Country Z will exchange money from Company B in Country X. I mean just look at the volume of oil that is sold in one day and that is only one product. Oil is billed out in USD so if China buys x amount of millions of barrels of oil a day from Iraq multiply those millions of barrels by 80-100 dollars per barrel. Then exchange the RMB to dollars to pay for it and then Iraq exchanges those dollars into Iraq currency and that is only one exchange on one product. Get my drift. This way you won't fall for an article written like this:

> ***"Speculators Keep Boosting Their EUR Longs for the 4th Consecutive Week; Traders added another 40% to their long EUR bet this week after increasing it by 30% last week to reach a total of $6.4 billion as of Tuesday."***

Please understand, knowing the big dogs are buying the Euro is good knowledge to have, even though that info is a week old, (after the fact don't help me much if they start selling off after I start buying and find out the next Friday they had been unloading while I was buying). But 6.4 Billion in Forex is a drop of water compared with the trillions being exchanged every day. My point is this; traders do not control the market and when they enter in large amounts they only affect the market for 15 minutes to several hours at best. So what makes the market move and what causes trends?

Before I answer that let me explain how I lay out the different types of traders as I have come to understand them. Usually there are 3 groups of traders mentioned in most articles.

1. **TECHNICAL ANALYSIS TRADERS:**

   These are traders who use indicators to make decisions to trade, when to exit and enter. There are thousands of different kinds of indicators but they usually fit into two groups.

   a. Indicator that move and are based on moving averages with some kind of math formula and then the conclusions put on the chart or indicator screen i.e. Stochastic, MACD, moving averages, etc.
   b. Indicators that don't move and are static but these are usually based on a previous high low like Fibs or pivots, S/R lines, trend-lines, etc.
   c. There are also traders who say they trade naked but that is because they form a picture in their head of a pattern or line break. I could trade a clear chart also looking for breaks in the previous high/low, trend-line, or some kind of pattern.

2. **FUNDAMENTAL-TRADERS**

   I divide these into three groups:

   a. News traders, they wait for news announcements and trade in the direction the news takes price action. In other words they wait to see which direction the big boys are going and jump on board based on previous knowledge of what the news did in previous cases. They refer to themselves as fundamental traders but I don't. They are news traders and should be separated from true fundamental traders.
   b. Short term fundamental traders; know certain events will move a currency for several days or weeks. For example, if a country increase/decreases interest rates. This will usually move a currency pair anywhere from 3 days to several weeks depending on how big the rate change was. They are also knowledgeable of how different events will move the market. I admire this group but have never been able to develop their techniques into trading.
   c. Long term fundamentals, this is the direction a currency pair will go for months or even years and is usually caused by govt. policies. See pic below of the **EUR/USD** during the Bush years. If you had purchased euro's at the beginning of his presidency and hung on until near the end before the big economic collapse of 2008. You would have doubled your money. Not following long term trends caused me to lose money in my early years of trading because I was shorting the euro too much back then. Knowing this is the beauty of 10.4 and it is a very simple read. You would have known not to have sell trades from Feb. 2002 to May 2003 for a 15 month period but you would have known to just keep riding the long term trend. If you follow the 10.4 formula you would never have taken a SL and all your trades would have been profitable or would be a break even trade during this time. 10.4 (now HGI) is going to follow these long term trends and you will be able to profit from them. The average currency pair will only change directions 2 or 3 times a year so stick with the long term trend like the big boys do.

3. Those that use a combination of both technical analysis and fundamentals.
    a. This is going to be us with HGI but we will use a very simple indicator to determine the long term fundamental trend and we won't need to know the information that is actually driving this long term trend. We will spot it with technical analysis using TMA_SLOPE and adjust our trading accordingly.
    b. So without knowing the driving fundamental of a currency pair, which is usually caused by long term govt. policy, we are just going to trade it and let the fundamental traders follow the news.

PERSONAL HUMAN JUNK

This is always the most important and valuable part of any guru's booklet. Whenever you read, are solicited, or buy some gurus trading stuff he always puts several pages of stuff of how he was a failure until he learned some great secret and for $ xx.xx you can now have the same secret formula he made his millions at. So the next paragraph is my interesting story I am so sure you want to hear.

Blah, blah blah, hmm . …. And so on and so on …… blah blah, my dad taught me ………….
Blah, blah, so on and so on then my mom ………….. Blah, blah ……………….. Then one day I met this friend who told me his secret and blah, blah …………. So on and so on ………….. So now today I have 3 Mercedes, a yacht, met the President ………….. blah, blah, blah and you can now too have ………………… blah blah, blah and then you can travel to ……………. Blah, blah………… and then ……………………… Meet the most beautiful ……………….. And have sons and daughters who …………….. blah, blah ………………… so on and so on etc. etc. blah blah. So quit being a loser and ……………. Blah blah, blah. So now pretend we are on page 25 of this 30 page book he told us was chock full of secrets. Sorry just had to get that out of my system. ☺

WHAT THE HECK IS A TREND ANYWAYS?

I dare you to try this one. Go to any Forex thread or forum and ask this question. What is a trend? I mean everyone will tell you to follow it, trade by it, go by it, and ……………… but try to get a definition of a trend. Really? Try it some time. I have looked all over Forex Factory for a clear trade-able definition of a trend. You would think that something so fundamentally essential and so talked about that somewhere, someplace, someone would tell you what a trend is; where it starts and when it ends. That was my journey for 10.0, here is my conclusion to this quest. My definition is:

<u>A TREND</u> IS THE LONG TERM MOVEMENT OF A CURRENCY USUALLY CAUSED BY GOVERNMENT POLICY AND CAN BE EASILY SEEN ON A MONTHLY CHART.

There I did it, now go trade. Let me show you. I will show an example from every major currency group. Notice the yellow line in each picture. It is the 2MA OPEN on a monthly chart. Buy above and sell below the yellow line. Even in congestion or slow times it will bias up/down from that 2MA line on the monthly.   JPY represented by the **AUD/JPY**
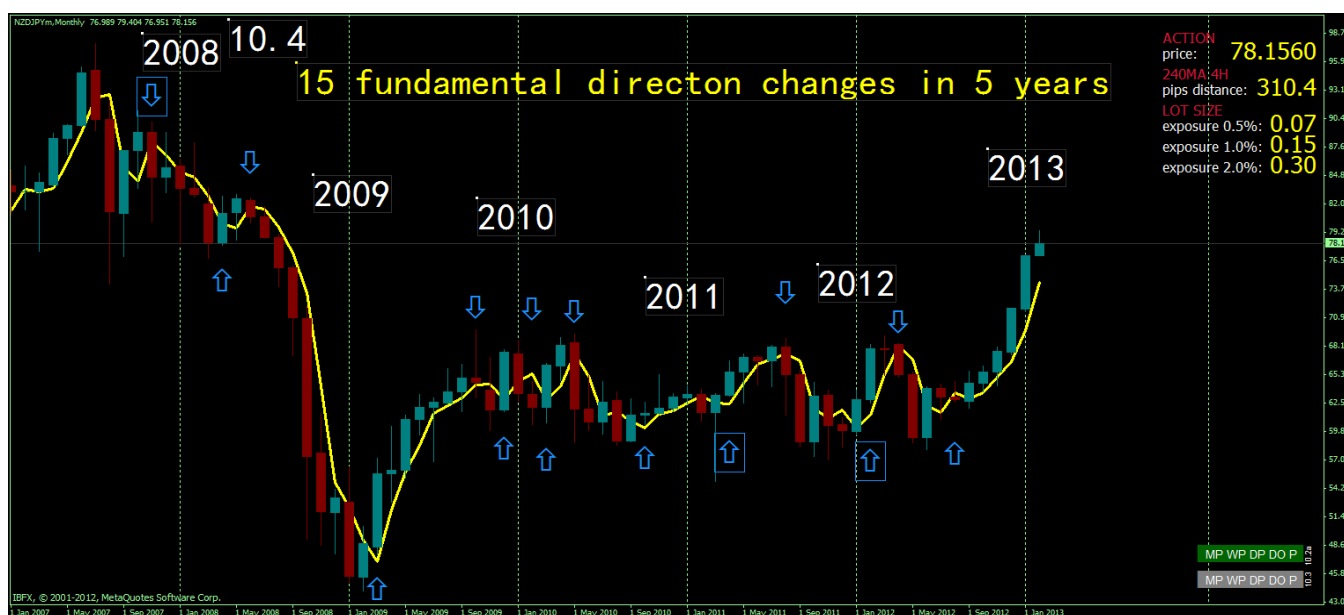
AUD represented by **AUD/USD** 15 times in 5 years with the last 7 months just flat.

EURO and USD represented by **EUR/USD** monthly chart 5 years 13 changes in direction.

NZD and CHF represented by **NZD/CHF**, 11 times in 4 ½ years.
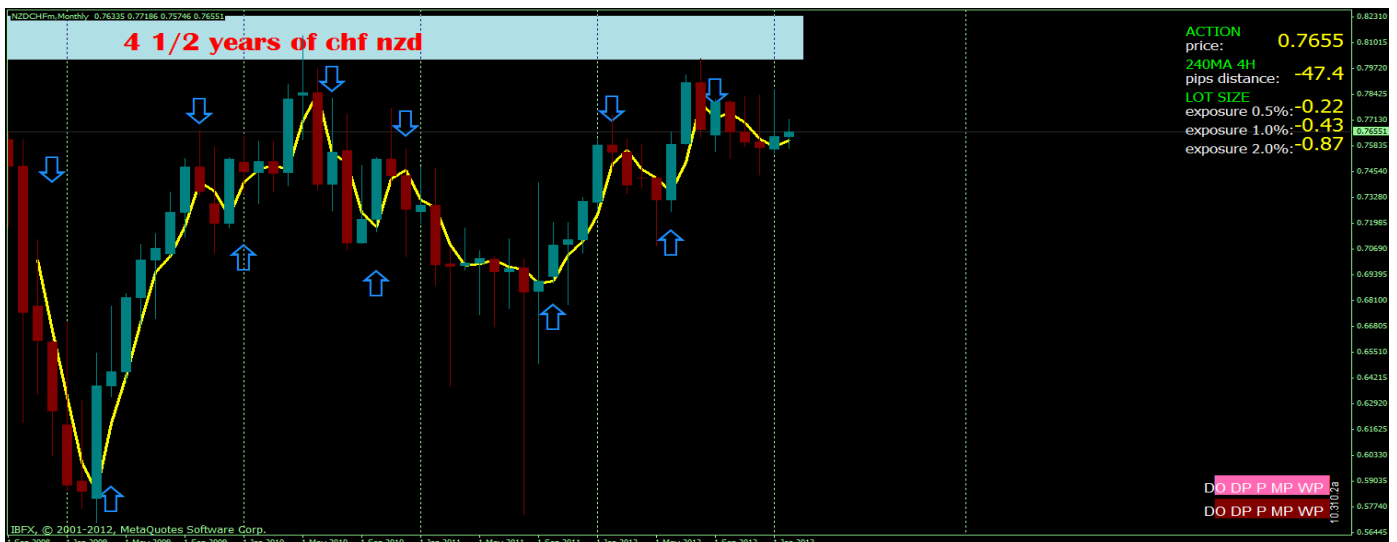
CAD represented by **USD/CAD**, 17 times in five years

Yes there are areas where price action ranges but we will clear up some of this on the 4H chart. The bottom line is on average, a trend will change on a currency 2-4 times a year. What that means is 2-6 months of staying with a trend either buying only or selling only.

LONG TERM TREND ON THE 4H CHART BUY ABOVE/SELL BELOW

To get the long term trend on the 4H chart we do some math. It goes like this: 2MA monthly x 4 weeks in a month = 8MA x 5 days in a week = 40 MA x 6-4H candles in a day = 240 MA on the 4H chart. It looks like this on the **GBP/JPY**:

The 10.4 trading rule is very simple, **BUY** above the line and **SELL** below the 240 MA line. In the example above you would be looking at buying regularly for over 4 straight months and it is still going strong.

HGI, however, will build its winners and increase profits by adding to winning positions. We will get that later. It also will post the trend direction on the chart for you. You will only need to follow its direction as it posts them. It adds the filter of the TMA_SLOPE indicator to keep you going in the right direction and letting you know when direction changes happen. It also will mark the dips and rallies in a trend. Anyway back to the 240 MA discussion.

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GBP/JPY has 5 months of UT now (see the blue arrow). This is the monthly chart; the previous chart was the 4H.

AUD/CHF 15 months of UT in 2009 & 2010. How many SL were hit by people trying to short it during this time. We won't be shorting it during that kind of run. Remember the **GBP/JPY** above? If one currency is going up then some other currency needs to be going down.   5 MONTHS OF DT NOW. What is hard to see in this pic is the candle wicks above the line on the monthly. These are easily seen on a 4H chart.

Now the 4H pic of the **AUD/CHF**. I colored in light blue the areas that were wicks on the monthly but you can see plainly here in the 4H. We will get into these trades later and how certain filters will help you. What I want you to see is how the 240 on the 4H closely resembles the 2MA on the monthly. However, it is more dynamic since it will continue to move with price while a 2MA monthly would be static. It gives us a better representation of what the long term trend is doing and our ability to adjust with it as price moves.

FOUNDATIONS PART 2—WEEKLY CHARTS

What we see here are how certain big news stories will affect currency moves a certain way. Most of these moves are caused by govt. or central bank reactions to certain big news events or market conditions. Many traders complain and whine about these events instead of learning to trade such events. All you need to know is these events will always happen and their results will show up on your charts and indicators. You can learn to trade these events by knowing how they will move the market (Fundamental traders) or seeing them move your indicators (Technical analysis traders). My viewpoint is to simply just keep trading the long term trend. The 10.HGI will do all this automatically for you but it helps to understand the underlying philosophy behind it.
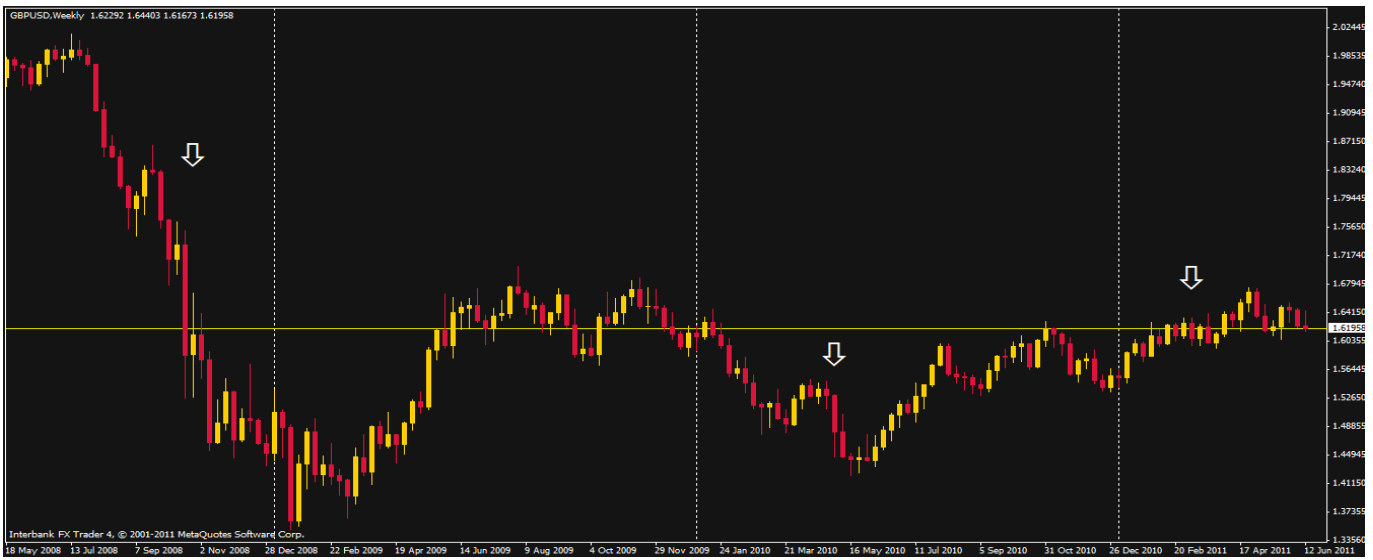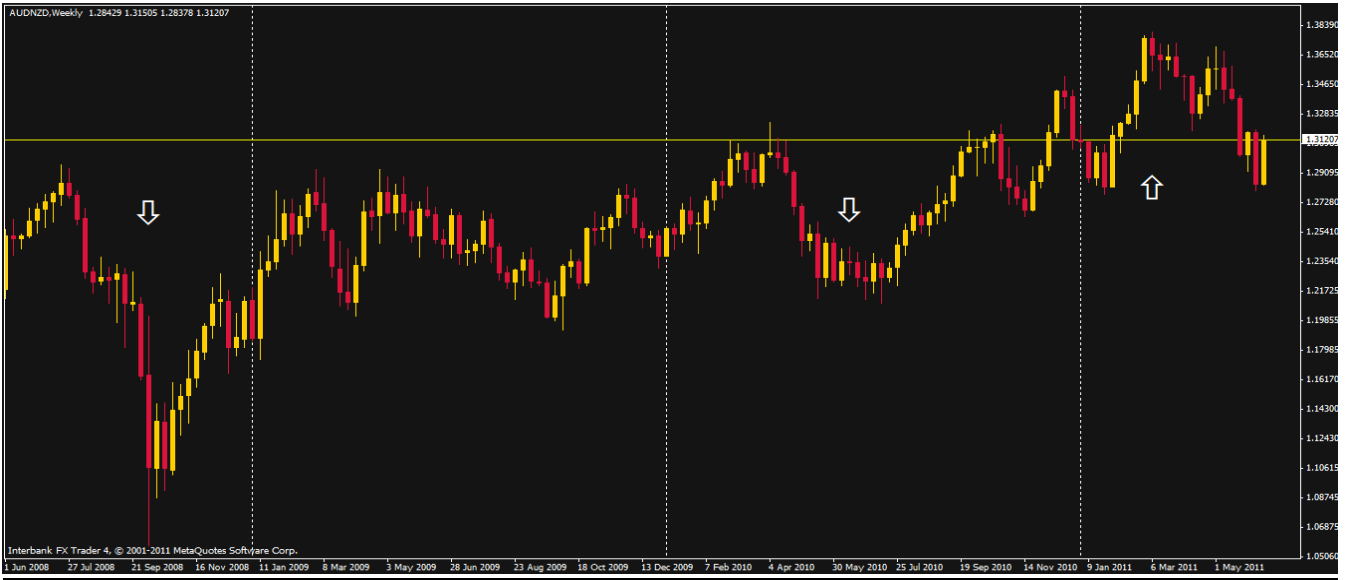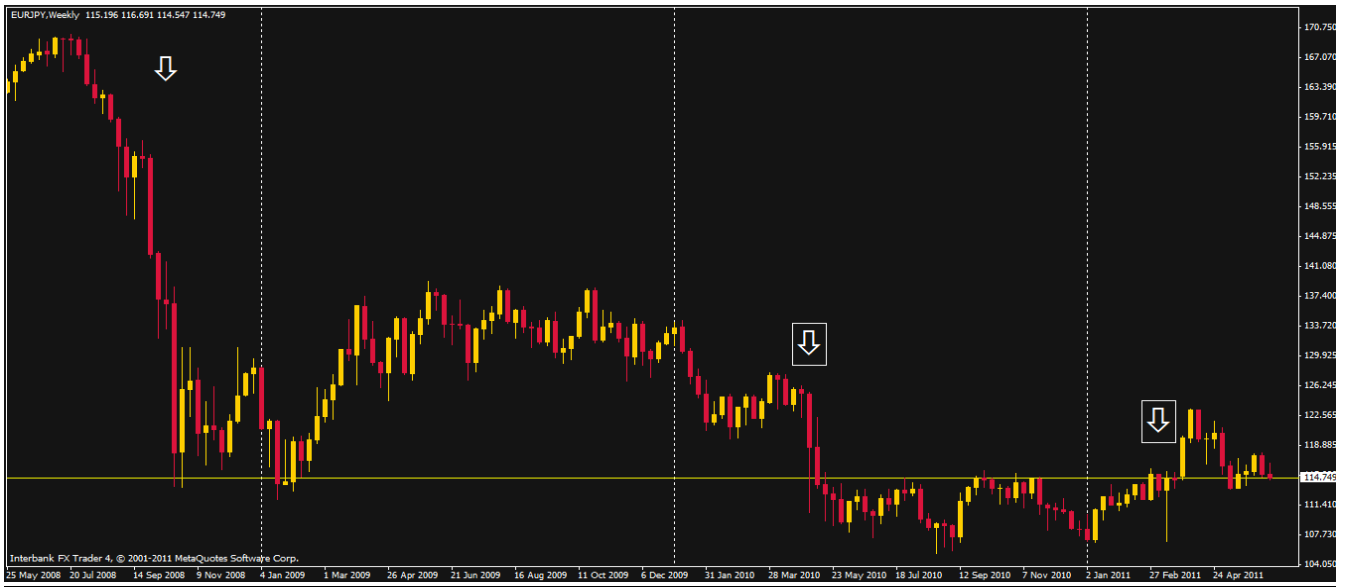
USD/JPY
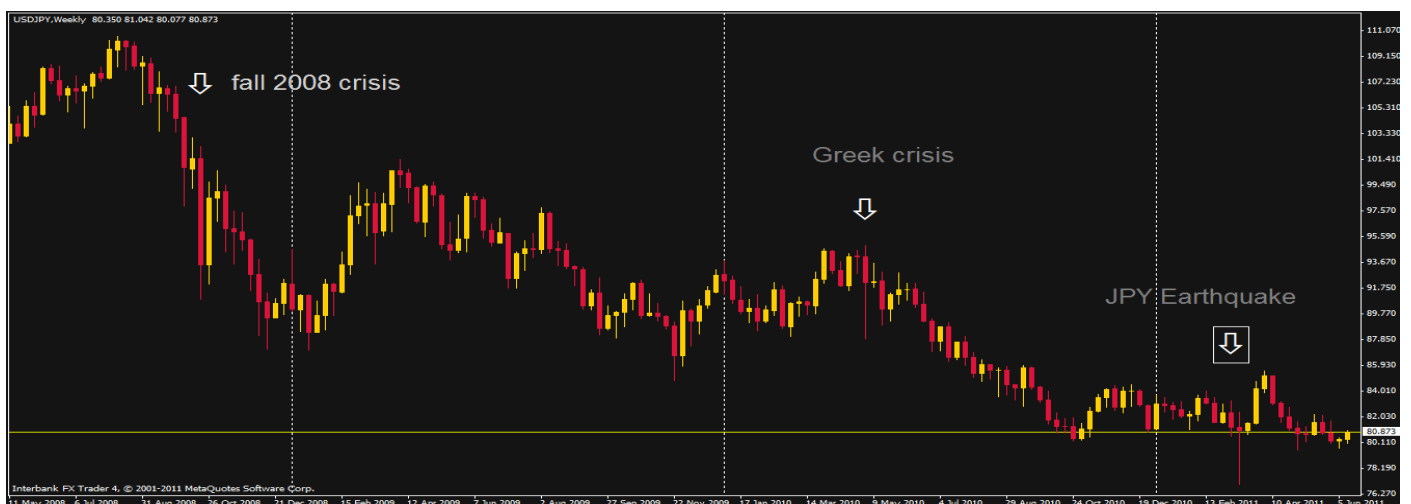
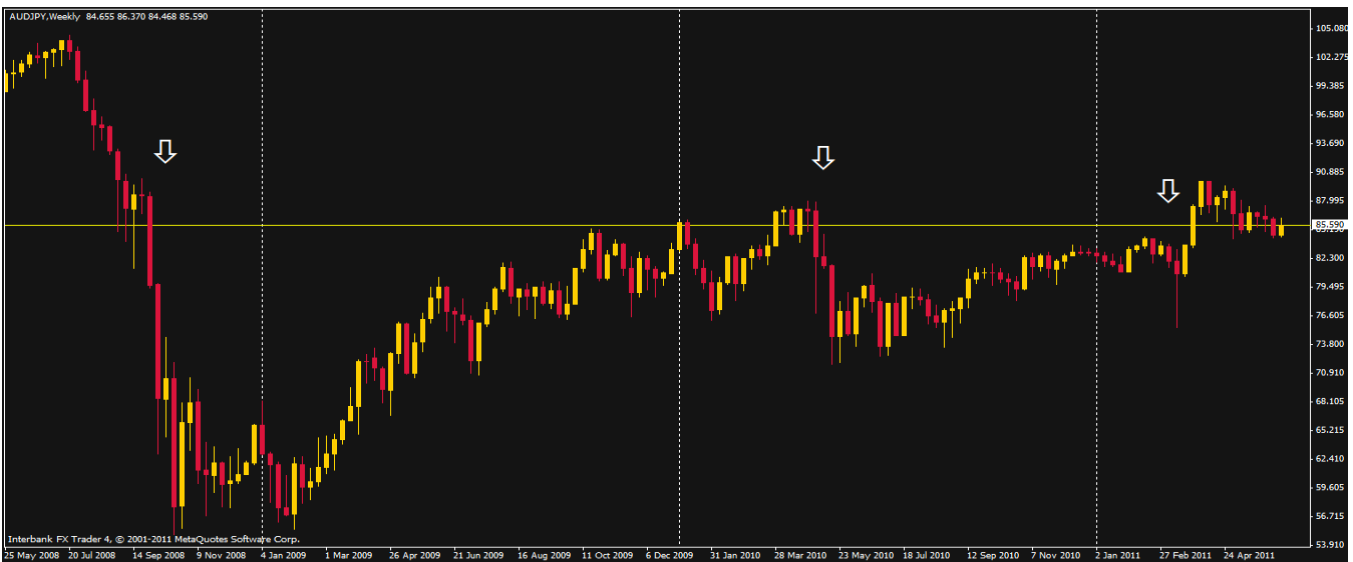# EUR/USD

GBP USD

USD/CHF

14
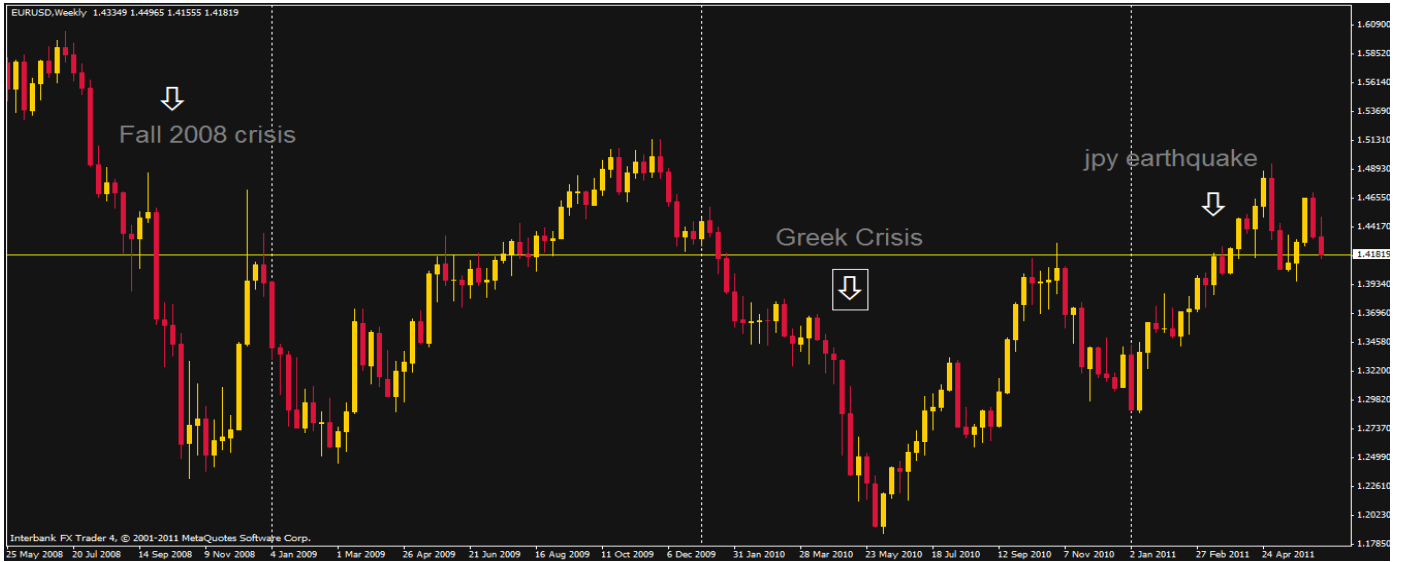
AUD/NZD

EUR/JPY

AUD/JPY

CONCLUSIONS ON 240 AND 60 MA ON 4H CHART

Now I like to trade the 4H chart and all my systems are based on the 4H chart. **Doesn't mean they wont work on other time frames it is just I trade 4H charts.** So the math is like this for the 240 and 60 MA lines you see on your chart.

2 MA on Monthly chart x 4 weeks in a month equals 8 MA on a weekly chart.
8 MA on a weekly chart x 5 days in a week equals the 40 MA one a daily chart.
40 MA on a daily chart x 64 hour periods in a day equals 240 on the 4H chart.

Then we do the same thing with a weekly chart.
The 2 MA on a weekly x 5 days a week equals the 10 MA on the daily chart.
10 MA on the daily chart x 6   4 hour periods in a day equals the 60 MA on a 4H chart.
So we define the trend as price movement above 60 and 240 MA on the 4H chart as an UT and below both as a DT. If price is crossing either line up or down it is in the range trading area. If you wish to read more about this concept you can visit my 10.4 thread to get a better idea of the concept. However for now they are two MA lines on the screen the 60 and 240.

HGI SYSTEM

Welcome to the HGI indicator (HOLY GRAIL INDICATOR). I will try to explain as simply as possible how this works. It attempts to do 8 different things and I will list them again and then explain how to read these 8 areas of trading.

HGI is going to try to do 8 things I have not seen done before in one indicator.

1. Tell you when something has started.
2. Tell you when something has ended.
3. Tell you something will continue
4. Tell you something will not continue
5. Tell you when to enter a trade.
6. Tell you when to get out of a trade.
7. Tell you where to put SL
8. Tell you when to reenter or multi-level a trade.

First let me give you a picture of the entire screen, so you know what it will look like when you put it on your screen. First the dark screen and then the light screen, they are the same just different colored back grounds so you can change colors as you see fit.

HGH DARK
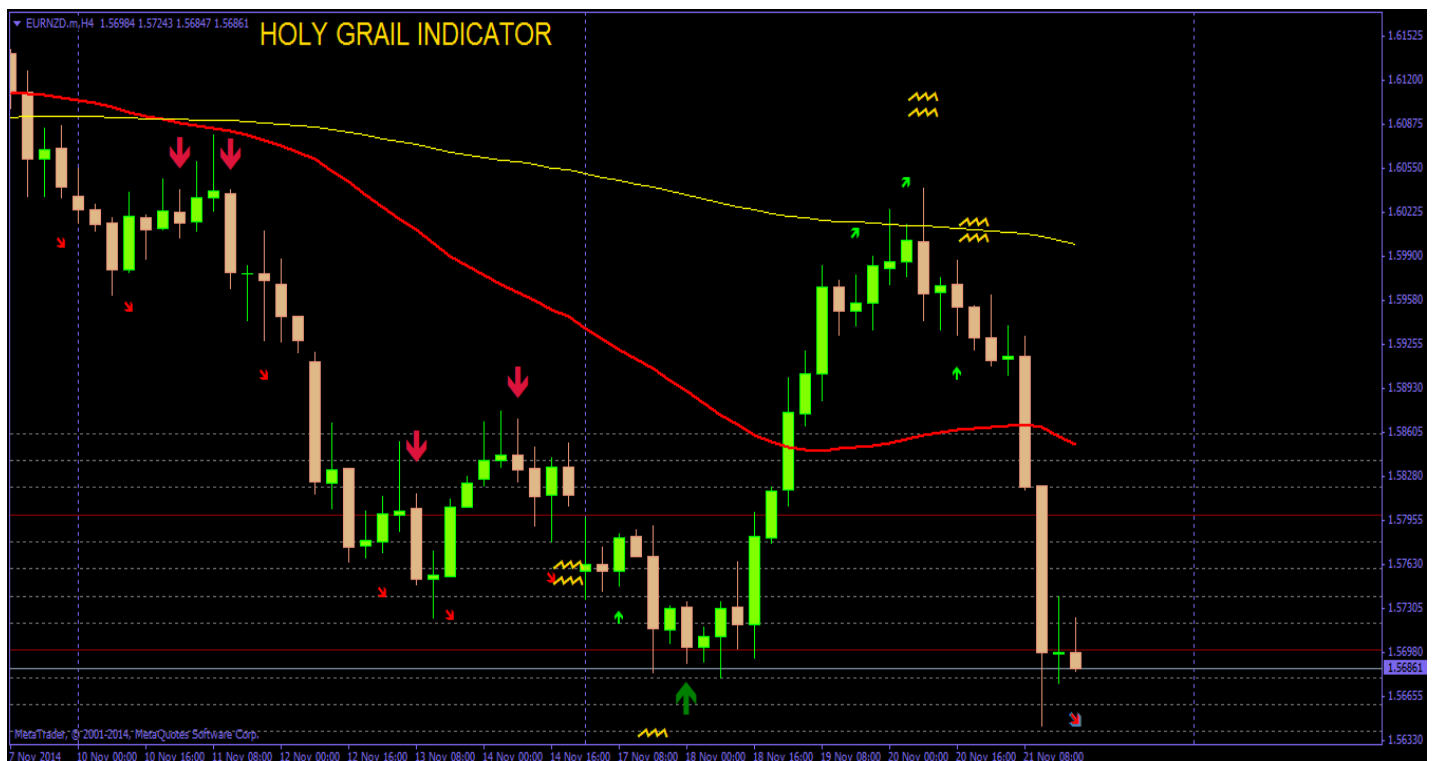
Here is HGI LIGHT. This refers to the background color and gives the same signals as the HGI DARK.
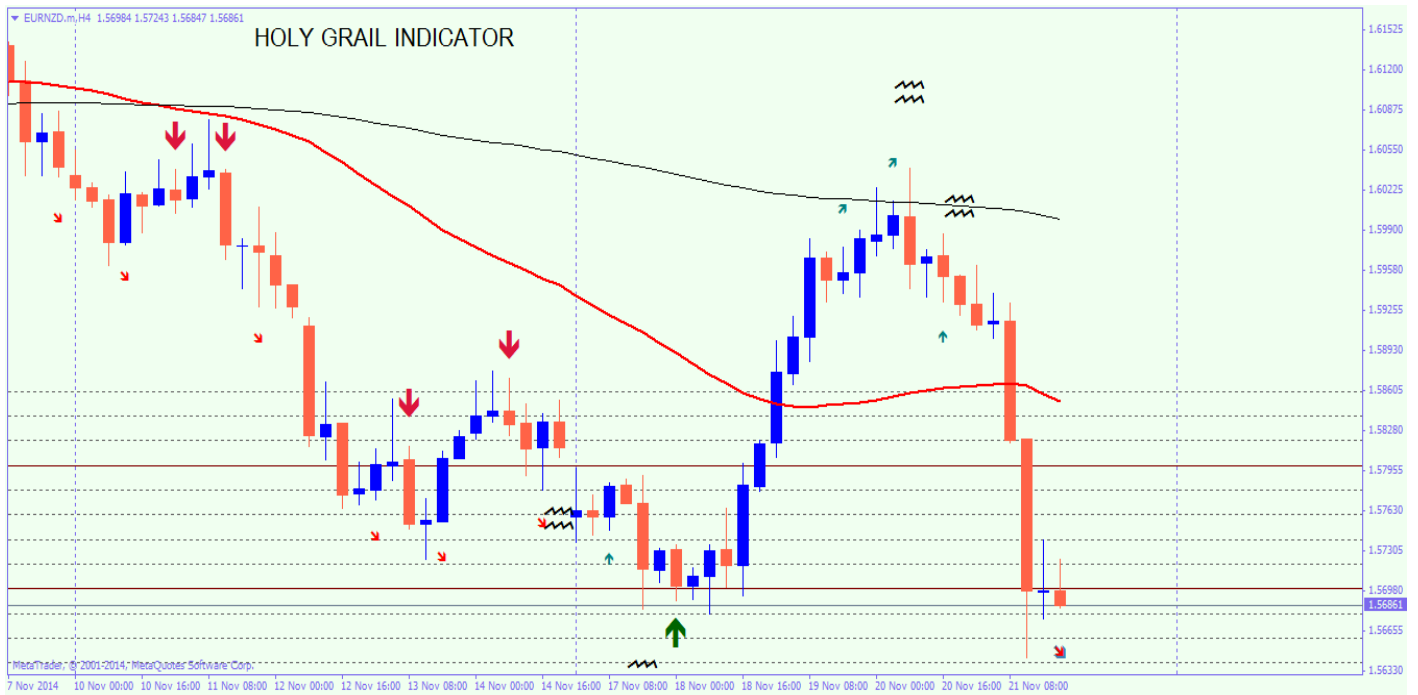
I will use the light screen for most of my illustrations because people tell me it is easier to print out and study. So let's get on with it.

SYMBOLS DEFINITIONS AND HOW THEY ARE USED

1. WAVY LINES: this is the TMA_SLOPE warning us that price movement is changing direction. We used to have to read the TMA_SLOPE and draw this conclusion ourselves. Now it is done for you and the warnings are quite accurate. Sometimes they come after the crowning of price action and sometimes they come just before the crown but either way you don't want to ignore the change of warning direction they give.
   a. For those that like to hold onto trades and get the most out of them you will love this feature.
   b. For those that love multiple entrances, in other words adding to winning trades you will love this feature.
   c. For those that don't like to use SL and would rather CT their losing positions you will love this feature. When you see this you will begin looking for your best exit.
   d. If you are on the wrong side of a trade and you see this you know you are in trouble.
   e. The area above or at the bottom of these waves can make good SL placements for you also. They automatically give the room necessary for each currency pair. These would not be static SL placements but based on the volatility of each pair. There is in the TMA_SLOPE code an ATR formula that is used along with the TMA to automatically adjust for each pair's volatility. So SL areas are not a fixed number   but based on the currency pairs volatility. So SL areas for each pair will vary.

Here is the dark screen with gold wavy lines. Sometimes before sometimes after the high or low of price action they may form but either way the TMA_SLOPE indi has proven its worth over the years as an accurate indicator. These should not be ignored when they show up on your screen. They warn you price direction trend change or price direction range area is now coming up.

2. Large arrows: RED ARROW pointing down is a downtrend signal. You enter the trade as soon as possible and follow it down until you want to take profit. You can use several signals to end a trade but this tells you to enter your trade. Some suggestions for TP areas:
   a. Middle of a trading session like 2-4 hours into the JPY session, Euro session, or USA session. This is my favorite place to take my profits and my most common one that I use.
   b. When another symbol forms like red angle arrow (RAD), green arrow up, or wavy lines. These symbols form when a direction change or continuation happens , the TMA_SLOPE has sent a signal of some kind.
   c. Xxx.00 lines which I will discuss later but price often stops at the even hundred lines
   d. R/S areas, these are known support and resistance areas and you just take profit.
   e. I just feel like taking profit and have no other reason. ☺ I do do this at times.

In the chart below red large arrows show:

1. DT enter sell area
2. Wavy line shows end of trend area and the red arrow just before it is limited in movement. Both the red trend and RAD arrows are ignored by the wavy TMA_SLOPE lines. The TMA_SLOPE is there to the rescue on this move showing it is not going very far.
3. Sell arrows back into the trend are #3 in the chart. You can see there are 4 re-enter the trend large red arrows. One could have been SL hit. More arrows, more trades entered OR added levels to an already good trade. TMA_SLOPE keeps you in long term trades. This run lasts around 2 weeks before the wavy lines tell you end of trend.
4. DT direction change; all sells should be closed by now and you look for buys. This UT green arrow is short lived and runs into wavy lines and range sell arrows.

3. Small red arrows show range sell trades. Most of these will be short and sweet. Grab some pips and throw them in your pot. You no longer have to wait during slow trading range times. Grab those 10-40 pip pops. Yellow areas show the red range arrows. TMA_SLOPE makes these small arrows when price strength is not strong. So the TMA_SLOPE will give large arrows when the TMA_SLOPE is showing strength and small arrows when the TMA_SLOPE is not showing strength.

You can see the 240MA and 60 MA are both flat. The GBP/AUD was ranging for 2 weeks this summer. Here are range trades you could have done using this indi on the 4H chart. Not all the trades are profitable but at least you can trade. I show both buy and sell trades. At least you can see there maybe better places or other currencies to go trade or go to a lower time frame and do some scalping.

Here is the black screen 4H aud/nzd. First came the wavy end of trend lines, then 2 red and 2 green range trade arrows. Not exciting but again trend trade signals. When the range ended there were green strong buy trend trades signaled from the TMA_SLOPE and we see some decent moves again. I numbered the 4 range trades 1-4 and if you got 10 pips you were lucky. The good news is the strong trend trade arrows that came up with the wavy lines letting you know it was time to trade the trend again. This is what the TMA_SLOPE can tell you if you know what to look for.
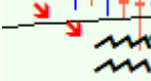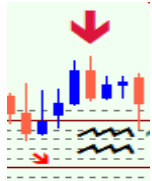
4. Red angle down arrows (RAD ARROWS) show trend continuation. TMA_SLOPE is telling us the trend continues so we can multi-level trades or look to reenter the trend. They also make good TP points on single in and out trades. They form when TMA_SLOPE is saying strong trend follow it. They point to a breakout re-entry point. More on that later.

   a. In the picture below we see 5 enter trend arrows. These can be one in and one out or enter 2nd, 3rd or more level trades back into the trend. Even though the moves start above the 60/240 lines TMA_SLOPE is telling us, strong moves get in and hold.

   b. As price moves down over a 2 week period the small red arrows give breakout points to enter into the trade. In other words they are predicting a future location to enter back into a trend by breakout trades. So in this DT we have 5 Red arrow trend trades and 7 breakout area trades.

   c. This all comes to an end when the TMA_SLOPE plants its wavy lines and you realize that is it for now. As a note when you get wavy lines followed by a trend arrow, in this case a green trend arrow, you usually get a really nice move.

   d. DO YOU SEE WHERE THESE RAD ARROWS AND WAVY LINE SIGNALS HELP TAKE THE GUESS WORK OUT OF A MOVE?

HOLY GRAIL INDICATOR

Red angle down arrows
trend continues

wavy line ends trend
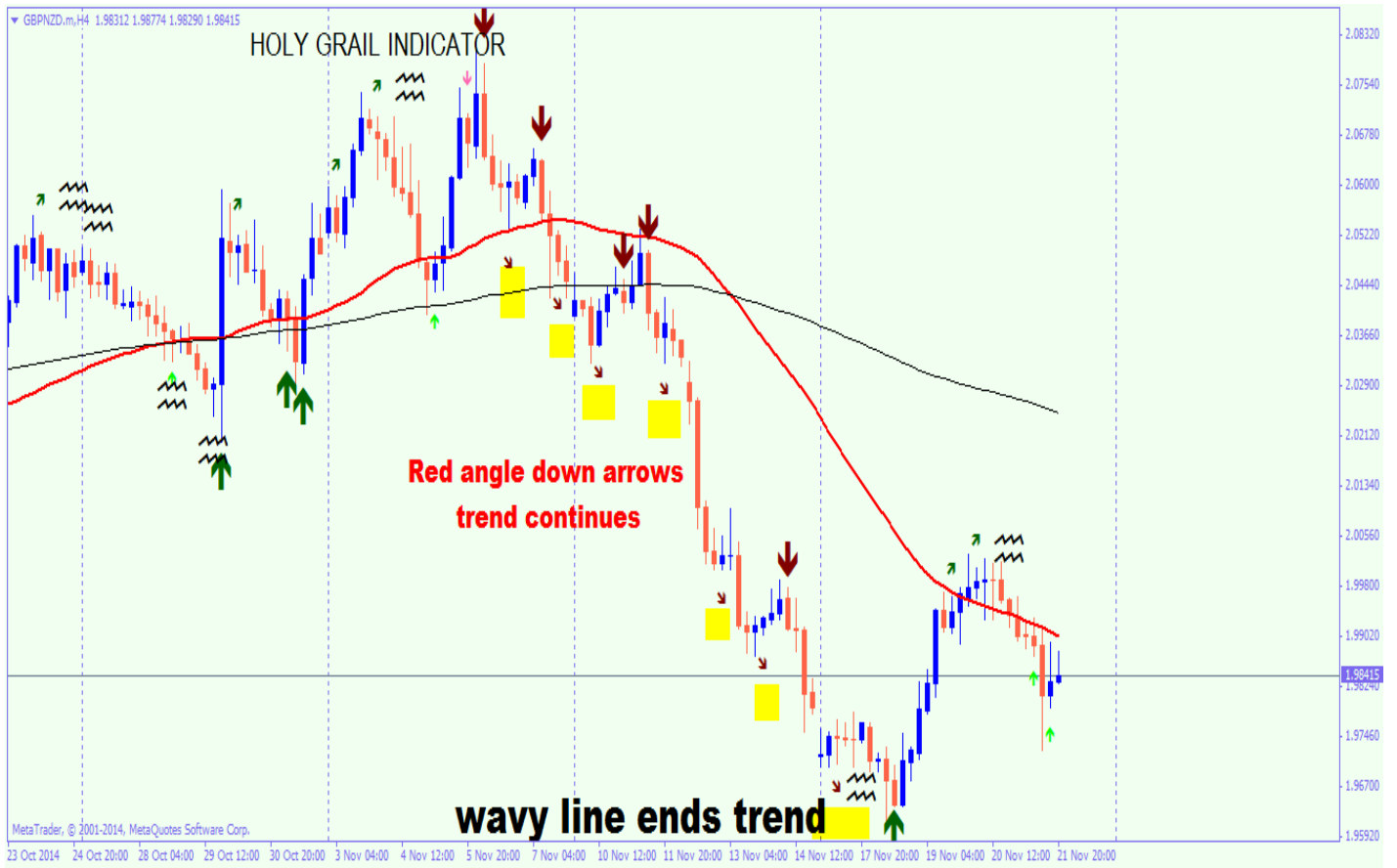
REVIEW OF SYMBOLS

So in review with the red colored arrows there are 3 kinds of arrows and what they will tell you:

1. Large red arrows ⬇ which signify to sell into the trend. These can show the first trade in a trend or to trade back into a trend. Multiple level trades are possible with these kind of arrows.

2. Small red arrows ↓ which signify to sell into a range period. These show the strength of the move can be weak and not go very far. They are quick in and out type trades and you don't stay in for long.

3. Small angle red arrows (RAD) ↘ which signify that the TMA_SLOPE is telling us the move has strength and should continue. They point to places where the trend should continue and where the breakout should occur later.

4. Wavy lines 〰 show TMA_SLOPE is saying trend change which signifies TMA_SLOPE is saying move has run out of strength and will now range or reverse directions.

5. RAD with wavy lines 〰 or with any arrow ⬇ signify that the trend will not continue and you ignore any arrows before the wavy lines. In other words the wavy lines cancel all previous signals, change of direction coming.

THE GREEN ARROWS

This is very simple but the green arrows mean the same as the red arrows except they are buys instead of sells arrows. I will not explain as deeply but will show you some pics of each one.

Green RAD arrows buy arrows but back into the trend. **(I have changed all RAD arrows to black they are no longer red or green)**

Small green up arrows are range trade arrows. Grab some pips and run.
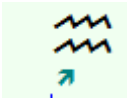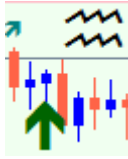

Wavy line cancels RAD signal. Trend does not continue.

Remember when the BOJ announced increase in selling of JPY to weaken the YEN. How long does it last? How long will it run? How about 3 weeks and done. While others wonder whether to hold their trades or continue to sell the the JPY, we already know. The Wavy lines have appeared and I have closed my trades. ☺

So in review with the green colored arrows there are 3 kinds of arrows and what they will tell you:

1. Large green arrows which signify to buy into the trend. These can show the first trade in a trend or to trade back into a trend. Multiple level trades are possible with these kind of arrows.

2. Small green arrows which signify to buy into a range period. These show the strength of the move can be weak and not go very far. They are quick in and out type trades and you don't stay in for long.

3. Small angle green arrows (RAD) which signify that the TMA_SLOPE is telling us the move has strength and should continue. They point to places where the trend should continue and where the breakout should occur later.

4. Wavy lines show TMA_SLOPE is saying trend change which signifies TMA_SLOPE is saying move has run out of strength and will now range or reverse directions.

5. RAD with wavy lines or with any arrow signifies that the trend will not continue and you ignore any arrows before the wavy lines. In other words the wavy lines cancel all previous signals, change of direction coming.

DID I ANSWER THE 8 QUESTIONS

FROM THE BEGINNING

So what makes this different than all the other systems and ideas out there on the market? Well, HGI is going to try to do 8 things I have not seen done before in one indicator.

1. Tell you when something has started.
   a. WAVY LINES - TREND OR RANGE START
2. Tell you when something has ended.
   a. WAVY LINES - TREND OR RANGE END
3. Tell you something will continue
   a. RAD ARROWS - SHOW TREND CONTINUATION
4. Tell you something will not continue
   a. WAVY LINES AND/OR SMALL ARROWS- SHOW CHANGE OF MOMENTUM OR ENTERING A RANGE PERIOD
5. Tell you when to enter a trade.
   a. LARGE RED OR GREEN ARROWS - SHOW TREND ENTRANCES OR RE-ENTRANCES
   b. RAD ARROWS - SHOW BREAKOUT AREAS
6. Tell you when to get out of a trade.
   a. WAVY LINES SHOW DIRECTION CHANGE
   b. SMALL ARROWS SHOW RANGE TRADES OR END OF TREND
   c. XXX.00 LINES ARE GOOD EXIT POINTS – S/R LOCATIONS
7. Tell you where to put SL
   a. AT THE BOTTOM OR TOP OF ARROWS OR WAVY LINES
   b. EACH SIGNAL ON A CHART IS COORDINATED WITH THE VOLATILITY OF THE CURRENCY PAIR, SO SL AND TP WILL BE BASED ON THE ATR (AVERAGE TRUE RANGE) OF THE CURRENCY PAIR.
8. Tell you when to reenter or multi-level/stacking trades.
   a. RAD ARROWS IN CONJUNCTION WITH TREND ARROWS GIVE YOU SOLID EVIDENCE OF FUTURE STRENGTH. SEE NEXT FEW PAGES FOR EXAMPLES.
   b. WAVY LINES FROM TOP TO BOTTOM OR BOTTOM TO TOP GIVE SUPPORT SIGNALS TO STAY IN TRADES LONGER

TRADE IDEAS WITH HGI

I like the xxx.00 or 100 lines drawn on the charts. I think they are the most consistent and best of the horizontal line indicators. I like them better than, S/R lines, Pivots, Fib lines, etc. I think price really honors these lines over any other horizontal line indicator. You can see this on the chart below xxx.00 lines.

These lines are my 2nd most popular areas to TP and reenter above and below. I will show you some of my mult-level trade techniques.
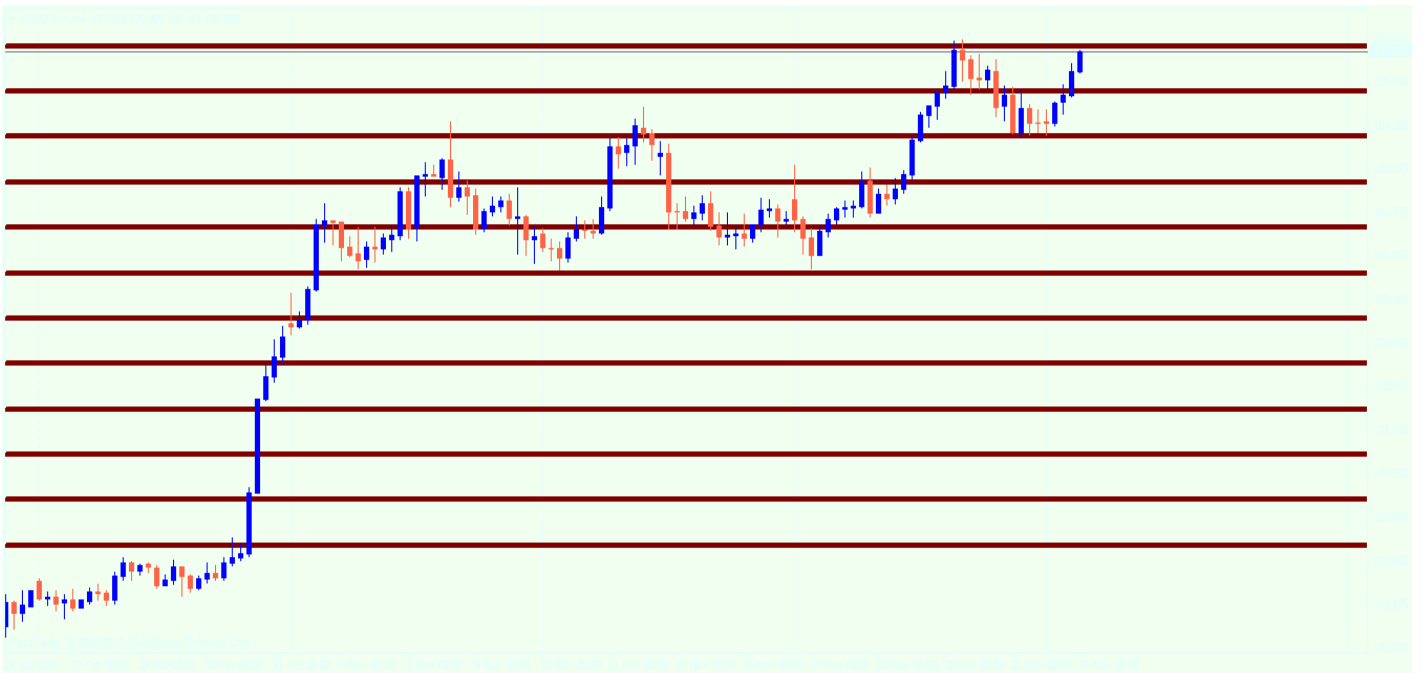
I will also add dotted lines every 20 pips and then add them to my chart. It will look like this.

Whenever I see a large red or green arrow along with a RAD arrow, I have been loading up on multi-level trades. My buy/sell scripts are set at TP 30 and I set them 20 pips apart. It will look something like this.

Looks something like this on the chart.

BUY AND HOLD ON FUNDAMENTAL NEWS STORY

THESE HAPPEN SEVERAL TIMES A YEAR

Even if you don't know the fundamental story the RAD arrows keep you in the trade and the wavy lines will tell you to stop. These are the trades where you rack up the pips.

BREAKOUT TRADE TECHNIQUE

OR RAD TRADES

Set pendings at the nearest xxx.020 lines to play for future breakouts. RAD arrows are predicting future moves because the TMA_SLOPE strength is showing it should. Be sure to stop RAD trading with wavy lines. You add RAD with TREND arrow trades and you have a bunch of trades running in the positive.

WEAKNESSES OF THIS IDICATOR

REPAINT!! This debate will probably never end but here we go again. My position has never been indis repaint but they update the chart. That is exactly what this indi will do. Update, but here is how it will do it. It will keep the old signal and put the new signal on the chart. In other words, it will give you the new signal and you will see that most of the time both are correct at the time they happened. Having an indi that shows different signals should solve the problem once and for all but you know some will never understand that.

Now for it to work, you must stay on the same time frame. For example the 240 and the 60 are the 2MA on the monthly and the weekly charts. If you change to the daily the 60 becomes the 2MA from the monthly chart. If you go to the 1H chart the 240 is the 60 on the 4H chart or the 10 on the daily or the 2MA on the weekly. The 60 on the 1H chart becomes the 15MA from the 4H chart and so on. On the 15M chart the 240 is the 60 on the 1H or the 15MA on the 4H. What I am trying to say when you change the time frame you change the parameters from which the indi works from to determine its calculations. When you change from the 4H chart to the 1H chart all the symbols are erased and new symbols based on the 1H chart info will be put on the screen. If you switch back to the 4H you will see the chart will look different because conditions for the symbols will have changed. In other words only the most recent symbols will post. Let me show you what I mean.


When I saw this arrow on the USD/CAD in the middle of a big bar I went what the ???? Well, to understand I went to a lower chart to check what happened. It was easy to see, a news story hit and price spiked down and then reversed back up again. When price spiked down the indi correctly indentified an entrance point and showed an arrow. Price was moving strongly down and was heading back into the trend. It did what it was suppose to do and gave you a warning, etc. Well, price spiked back up and if you had entered you would be taking a SL on this trade. There are things an indi can and cannot do:

1. An indi cannot predict sudden news stories, central bank VIPs going blah blah, blah, or Saudi Arabia cashing a billion dollar check and exchanging it for USD, Euros, or whatever. We looked at a dozen ways to filter something like this out and they cant be

filtered out. Take your SL and move on and don't come crying about how the indi didn't correctly predict the market. No indi can so get over it.

2. Another thing you will notice is when you click back to the 4H chart the large red arrow is gone showing there was no trade. WHY? The conditions for the arrow had changed.

   a. The TMA_SLOPE is no longer showing the downward strength of the usd/cad is still in play. Price had kept going up and the strength is fading.

   b. The part of the program that shows the entrance point no longer exists so the arrow is now gone.

   c. However, if you don't change the time frame or turn the MT4 on and off the symbol will stay. Milanese programmed the indi to keep any symbols on the screen that it shows. Sometimes you will get a pic like this:
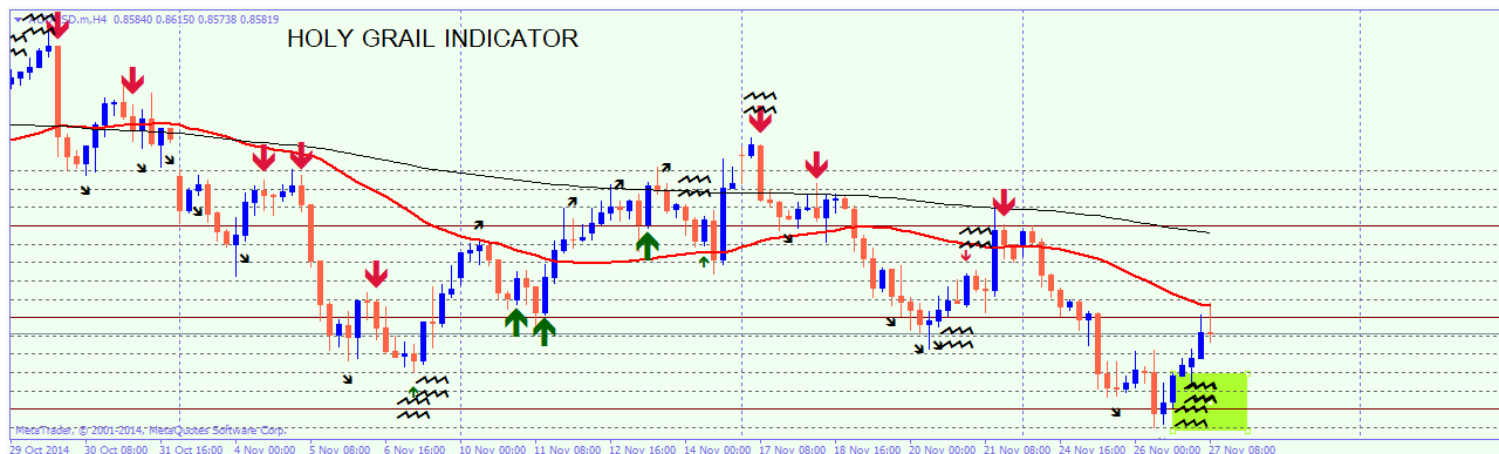
   d. As you can see at the green box you have a bunch of symbols stacked on each other. What can happen is price action is crossing and re-crossing the spot where the indi makes its decision point. Price action will have spikes up and down with the candles and set off and not set off, then set off and not set off the indi. Just don't get all bummed out about it. It is going to happen and just know price is around the decision point. If you don't like it, don't take the trade or close out the trade you have. I close out ugly trades all the time so it doesn't bother me. I know some knucklehead will get all worked up over it. I remember one guy getting all worked up about his daily pivot line wasn't at the same exact number as my daily pivot line. He caused such a stir that Steve finally banned him. He just couldn't get it through his head that different brokers use different price feeds and different start and finish times for their candles. An Australian Bank is not going to have the same business as a European bank. So things can look different from broker to broker. To me it is not a big deal, the trade either will be profitable or it won't. Either way when I am done with it I just go on to the next trade.

3. The most common changes you will see on a chart with this indi will be the following: Range down/up arrows will overide RAD arrows OR RAD arrows will override range down/up arrows. This is caused by the TMA_SLOPE reads. The market changes in that a certain currency is either picking up strength or decreasing strength. The indi will post the update. When we used to just post up or down arrows this would drive certain trader's nuts and they would go REPAINT REPAINT. Now that we are showing what the market is changing from something to something you get to see the change on the screen. This allows you to decide what to do with your trade. If you have a sell trade in a range area and all of a sudden the RAD arrow pops up, you may want to hang onto the trade and see if it continues as

the move strengthens. If the RAD arrow was showing and suddenly you get wavy lines, you realize the TMA_SLOPE is saying this run is out of steam. The momentum is weakening. You may want to close that trade and just take your profit or loss. The indi is not repainting it is updating the market conditions. Learn to move with price action.

Now you really ready for some action; how about price action is going up and down right at all these decision points and its posting RAD arrows and wavy lines and large or small up/down arrows all in a short period of time. Don't be stupid and blame the indi for telling you the market doesn't know what the heck it wants to do. That is what this indi is designed to do, tell you what is going on. If price action doesn't know which direction it wants to go, don't blame the indi for relaying that information to you. It is not a repaint problem; it is a price action problem. If you don't like it, close the trade and move on. Notice the yellow area below:

Want to see some really good trades. When you see this pop onto the screen load up the Brink's truck, put a 2nd mortgage on your house, and pile it on because this baby is going to run. Wavy lines with the big arrow up/or down. Just bet the bank because I have learned to love these trades. Aud/usd.

Here is the gbp/nzd chart I used earlier but now look at the green boxes. Look at those beautiful large trend arrows with the wavy lines in the green areas. Then look at the yellow area and in 6 candles there were 5 different warnings. You will have days like that, that is what the market can do to even the best programmed indicator. It is also why 24 hour 5 day a week EAs are so hard to program.

FINAL THOUGHTS

I know nothing that does all what this indi does. It is why I call it HGI (Holy Grail Indicator) All I know is I follow those big green and red arrows, pile on the multiple trades and bingo watch the pips pile up every day. In the 14 days I have used the various versions, (this is 13.03 so that is how many revisions this thing has gone through so far) I am averaging over 300 pips a day. I haven't had a run this good since the JPY run last spring. I multi-level the RAD signals with the large arrows and just pile it on. Yet I know nothing is perfect and nothing is 100%. I am sure we will still find some glitches here and there and we will need to adjust some things but dang, I have never seen an indi work like this one does.

Thank you and may God bless your life and efforts,

Nanningbob, Milanese, Steve, and Elixe (you really did this guys.)

This is my final thought for now,

TRADE IN A WAY THAT LETS YOU TRADE ANOTHER DAY

Don't get greedy and blow your account by oversizing your lots.

If you find my system helpful please make a donation to and help some child with their education:

http://www.compassion.com/