

Dear all,

Here I present to you my new System, AshFX Daily.

I've been working on this system for quite a while; I wanted to make it accurate, yet simple at the same time. I believe I have achieved that. It is designed for the Daily Timeframe, and can be used on any currency pair.

These are the indicators that are required:

- Parabolic Stop and Reverse (PSAR, 0.03, 0.2)
- AC (Accelerator Oscillator)
- AO (Awesome Oscillator)
- Stochastics (5,3,3)

Take the attached template and apply it in Metatrader. Use it on the Daily Timeframe (D1), on any currency pair. By the way, these indicators can be found in any platform, so you are not limited to MT4.

Here is an example of what you should be seeing:



Can you see how the system works? Immediately one can see the clear trades that are taking place. Yes they are relatively rare, but over a number of pairs, the pips quickly stack up, producing hundreds of pips a month.

Now I will outline the system:

## **ENTRY**

**Sell:** When you see the *first* PSAR dot above the candle, AND the AO is red, AND the AC is red, AND Stochs are crossing down but are not below the 50 line, AND the candle is a bearish candle, then enter short. Only enter at the close of the candle (i.e. enter at the start of the very next candle).

**Buy:** When you see the *first* PSAR dot below the candle, AND the AO is green, AND the AC is green, AND Stochs are crossing up but are not above the 50 line, AND the candle is a bullish candle, then enter long. Only enter at the close of the candle (i.e. enter at the start of the very next candle).

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## **EXIT**

Initial Stop Loss is at the high/low of the candle (i.e. day's high if going short, and day's low if going long). So to calculate the number of pips your SL would be for a short, then the formula would be,  $SL = \text{Candle's high} - \text{candle's close}$ . And to calculate the number of pips your SL would be for a long, then the formula would be,  $SL = \text{Candle's close} - \text{candle's low}$ .

As for Take Profit, then there are two methods of exiting that should both be used together. The first TP is equivalent to the same number of pips as the SL. So for example, if your SL is 100 pips, then your first TP would also be 100 pips. Once this TP is hit you will close half of your position AND you set your SL to breakeven.

The second TP is when the AO (Awesome) turns the opposite colour. So if you're long, then you would exit the second half of your position when the AO eventually turns red. Opposite for sell, i.e. if you're short, then you would wait till the AO turns green, and then exit. Only exit at the close of the candle of course

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## **SECOND STRENGTH TRADES**

There are times when the entry conditions mentioned above are not strictly met, but trades can still be taken. There are only two kinds of secondary trades that can be taken.

- a) One can take a short trade if the Stochs have crossed below the 50 line (but still above the 20). Likewise, one can take a long trade if the Stochs have crossed above the 50 line (but still below the 80)
- b) When taking a short, if the AO isn't compliant, one can still take the trade; it will usually turn red within the next couple of candles. Likewise, when taking a long, if the AO isn't compliant, one can still take the trade; it will usually turn green within the next couple of candles.

**Note:** In these types of trades, (for both 'a' and 'b') when going short, the initial SL would be at the swing high; and as soon as you're in profit by the same number of pips as the previous candle's high minus it's close, then move stop to BE and close half your position. Likewise, when going long, the initial SL would be at the swing low; and soon as you're in profit by the same number of pips as the previous candle's close minus it's low, then move stop to BE, and close half your position.

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## **FINAL POINTS**

Please bear in mind that when entering a trade, it doesn't matter in which order the indicators may line up, e.g. the AO and AC don't have to change colour at the same candle as the first PSAR dot appearing. Or perhaps the AO / AC / Stochs might be compliant before the first PSAR dot appears, or vice versa, and this is fine.

Also, look out for key Support and Resistance points. In my humble opinion, S/R should be part of every trader's arsenal, as should Fibonacci. If you don't really comprehend S/R & Fibs, then my advice would be to educate yourselves on these vital cogs of trading - they will make your decisions that much more powerful, especially during exits. There are a number of threads on internet forums that talk about these in depth.

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Happy trading!

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