

*Special-Fx:*

# **“Soothsayer”**

*Or a bunch of indicators that work well together!!!*

## **Intro**

Before we begin, this guide was written with the Deal4free charts in mind and came about after ‘Fx-wizard’ mainly because not everyone uses the Metatrader platform.

It is another trading system and can be adapted to any trading platform, if you can find indicators to suite.

I am not going to go in to the psychology of trading; that was covered in ‘Fx-wizard’ and ‘Spreadtrade2win’.

Read ‘Fx-wizard’ and apply the rules to these indicators. At the end of the day, you are the one that makes the indicators do their job properly...they can’t do that for you, they just indicate.

Sooooooo...find what works for you and stick with it, it will pay dividends in the end.

Right, preaching out of the way. So let us move on to the chart set-up and get a feel for what we are looking at.

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## Set-up

Forget about time frames to begin with, this can and does work on any time frame, but I'll explain later how I use it...How you then use it is up to you.

Okay, the main chart is set up using Super Trend and 2 ema's set to 20 and 34.

I have Super Trend set to '2' on the 1 min and 5 min charts and '3' for anything above that.

The ema's are not needed but I have them there because I like them and I like to play with new systems and combinations.

This is what the chart looks like with them on.



When the Super Trend turns green and the market moves above the 2 ema's (providing you have them) then you can go long – buy.

When the Super Trend turns red and the market moves below the 2 ema's then it is a short or sell signal.

To prevent being whipsawed out of the market, have 2 time frames up and only trade when the indicator is the same colour on both charts.

That is all there is to it, job done, good trading...Thanks for reading, don't call us, we'll call you!!!

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Well, not quite...This basic model might work for you and I am pleased for you, but for me it lacks the necessary entry points. So to compensate for that I add another indicator to my charts, enabling me to cut out a bit of the background noise and have a realistic chance of staying in a trade long enough to make a profit.

Enter CCI or more correctly 'Woodies CCI' – which is basically cci multiplied by 3.

The first CCI set to 14 and drawn as a line. The next CCI set to 14 and drawn as a histogram and the last one set to 6 and drawn as a line.



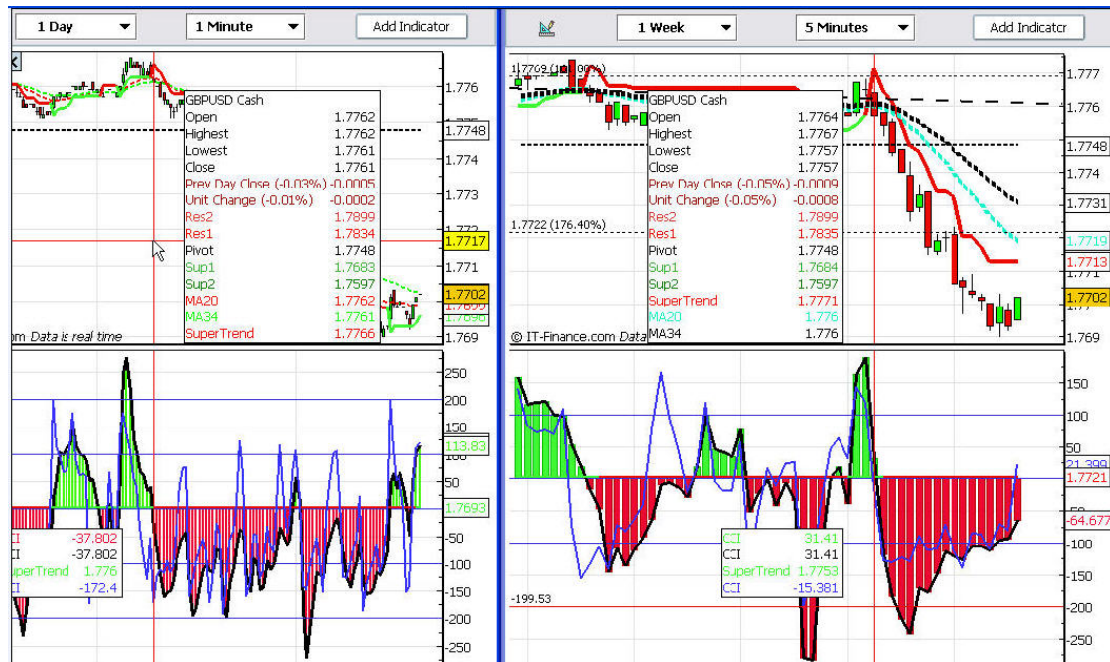
You then use 2 time frames and get them both to line up and away you go. Your entry is determined by the longer of the two time frames when they match up.

Never trade against the longer of the 2 time frames – always trade with it.

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My charts look like this with both time frames up.



Both charts have Super Trend saying sell and both have CCI saying sell.

All you are doing is finding a trend and getting a smaller time scale to agree with that trend.

If the smaller time scale does not agree then you are trading against the trend. Wait for them to match up...this is not rocket science.

Okay, I know one or two of you are going to dislike using two time frames as reference, but it is easy to get beyond that as well.

Add another CCI (Woodies or another overlay) to the screen and use that as your reference, this particular technique was posted to the forum only a few days back, but it works just the same and on any time frame you care to play with.

This next CCI is set to 50 and is used as the trend. When the 14 CCI agrees with the 50 then you have a trade. If they don't agree then don't trade.

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The charts look like this:

## One minute Chart

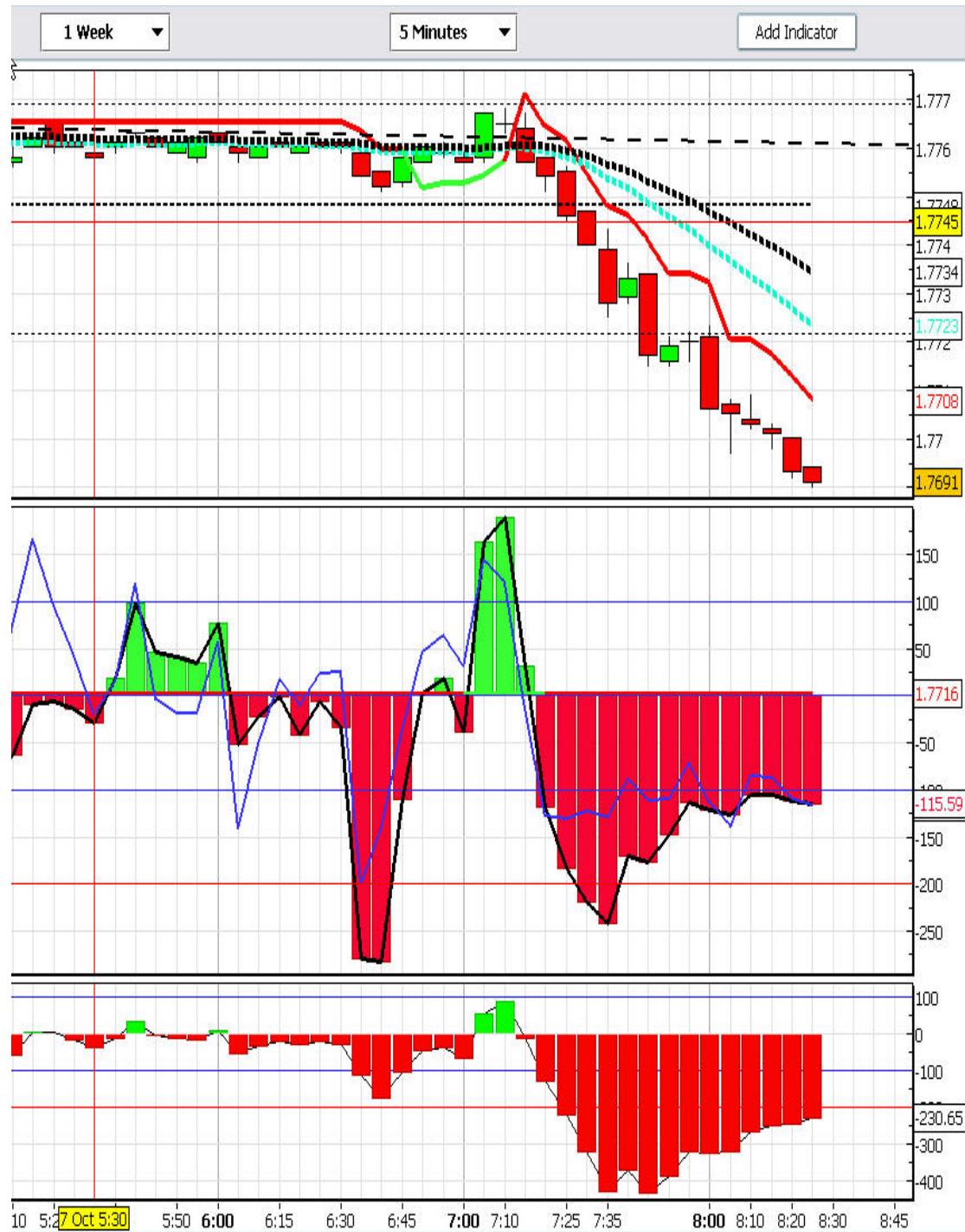


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## 5 Minute Chart

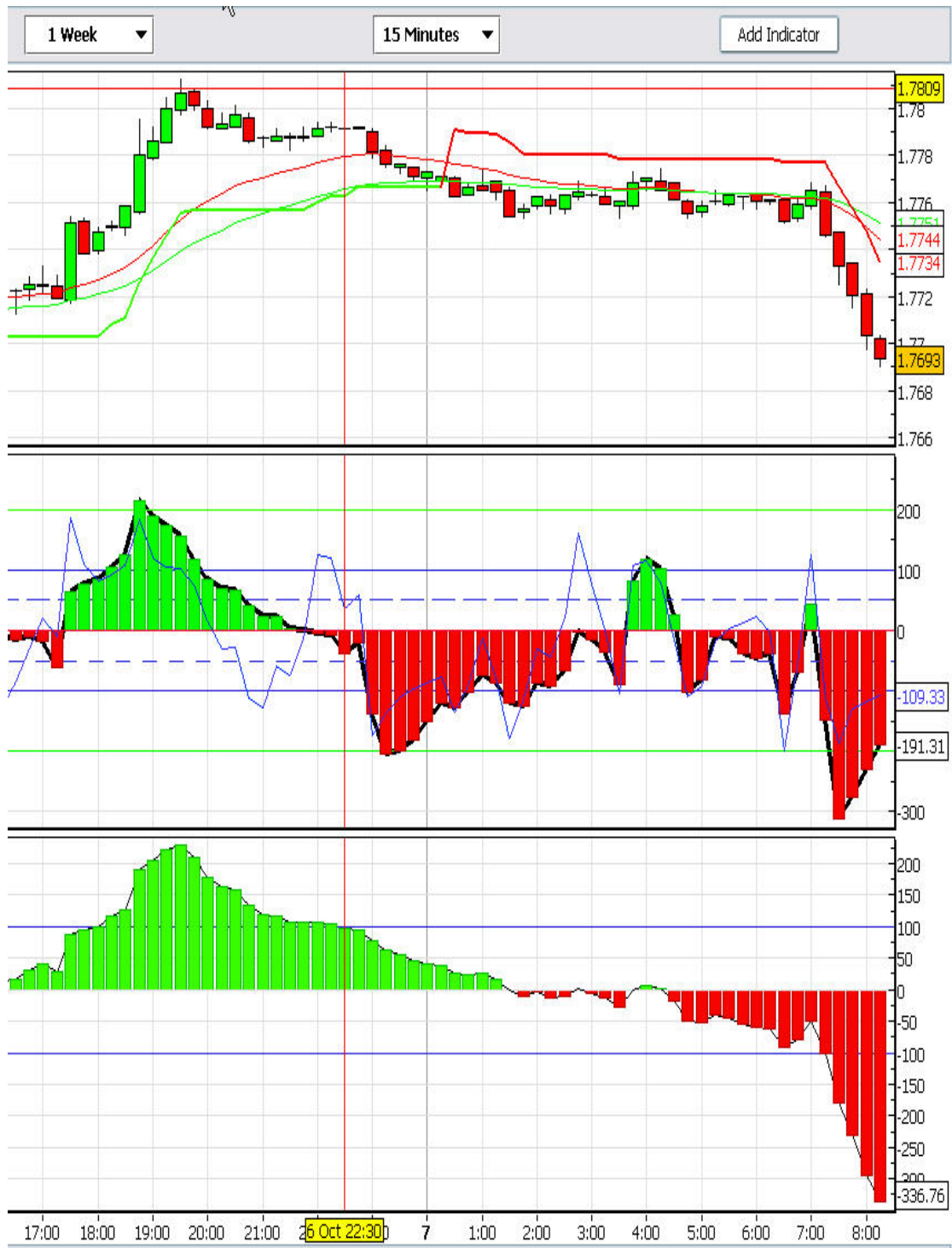


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## 15 Minute Chart



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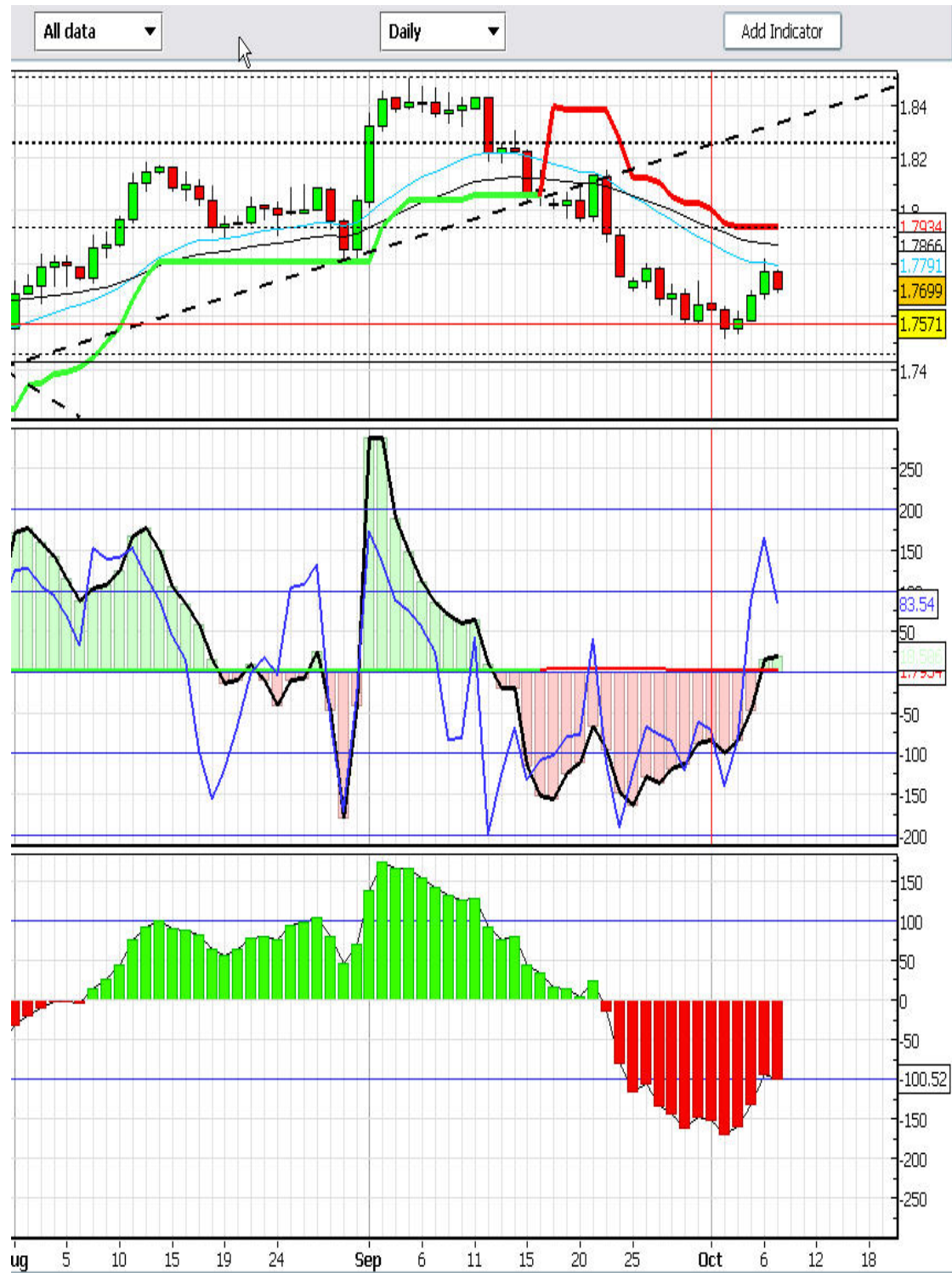
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## Hourly Chart



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You can use CCI to show divergence and a host of other formations can be used to pinpoint trade set-ups, or you can just stick to waiting for both to be heading in the same direction.

As an exit strategy either wait for the Super Trend to change back or wait for one of the CCI's to head off in the other direction.

Taking today as an example, on the 5 min charts everything lined up at 07:15 (see above) and the 50 CCI would have kept you in the trade all day long for a profit of 160 pips as of writing.

The 15 min charts would have gotten you in to the trade even earlier – by a good few hours and the hourly charts would have all married up between 08:00 and 09:00, and showed a profit of 100 pips.

It is just a case of finding a time frame that works for you and then waiting for everything to line up.

No doubt there will be a stack of questions so fire away.

Have a look at this and see if you can get it to work on your own trading.

All the best

Rob