

« The Sidus Method »

Introduction.

I first started trading when I was 15. I was fond of the stockmarket, but due to my limited capital I could only buy one share. When I eventually choose the stock I wanted, It didn't go up or down. It just kept bouncing around. In the end, I sold the stock with a 5% loss.

I was still following the stockmarket, but I decided for myself I needed something more volatile with more leverage. I discovered options, futures an CfD's. But they still were to unpredictable.

Eventually, I found my holy grail: Forex. I read all what I could read about it and made some first profits. I discovered the power of something as simple as the BGX system or Vegas.

I started studying these methods more closely and realized that these simple models could make you very profitable in the long run.

Over time, I started to adapt the systems with my onw rules. The biggest advantage of the Sidus Method is that it is not necessary for adding extra filters. Whipsaws will occur, but less frequent. This system made my trading very profitable as it easy to understand, easy to implement and easy to find the right entry-points.

SIDUS

What do you need?

- 1H (of 30MIN, but you wil get wore whipsaws) candlesticks/bar charts
- 18 EMA & 28 EMA (put them in red)
- 5 WMA (in blue) & 8 WMA (in yellow)

The 18 EMA & 28 EMA are two red lines who form a tunnel, these will help you to determine the start of a trend and the end of a trend. → Long term

The WMA & 8 WMA will show you when to enter a trend, they will also help you to see the strenght of the trends. → Short term

Entry Signals

! You should only open a position, when the red tunnel is extremly narrow or crossed !

LONG: 5 WMA & 8 WMA cross the red tunnel upwards.

If the 5 WMA also crosses the 8 WMA upwards, then the signal is extra strong.

SHORT: 5 WMA & 8 WMA cross the red tunnel downwards.

If the 5 WMA also crosses the 8 WMA downwards, then the signal is extra strong.

Exit Signals

Signals that show the end of the chosen trend:

- Long: The price has reached a top and 5 WMA dives under 8 WMA → Close position
- Short: The price has reached a bottom and 5 WMA jumps above 8 WMA → Close position

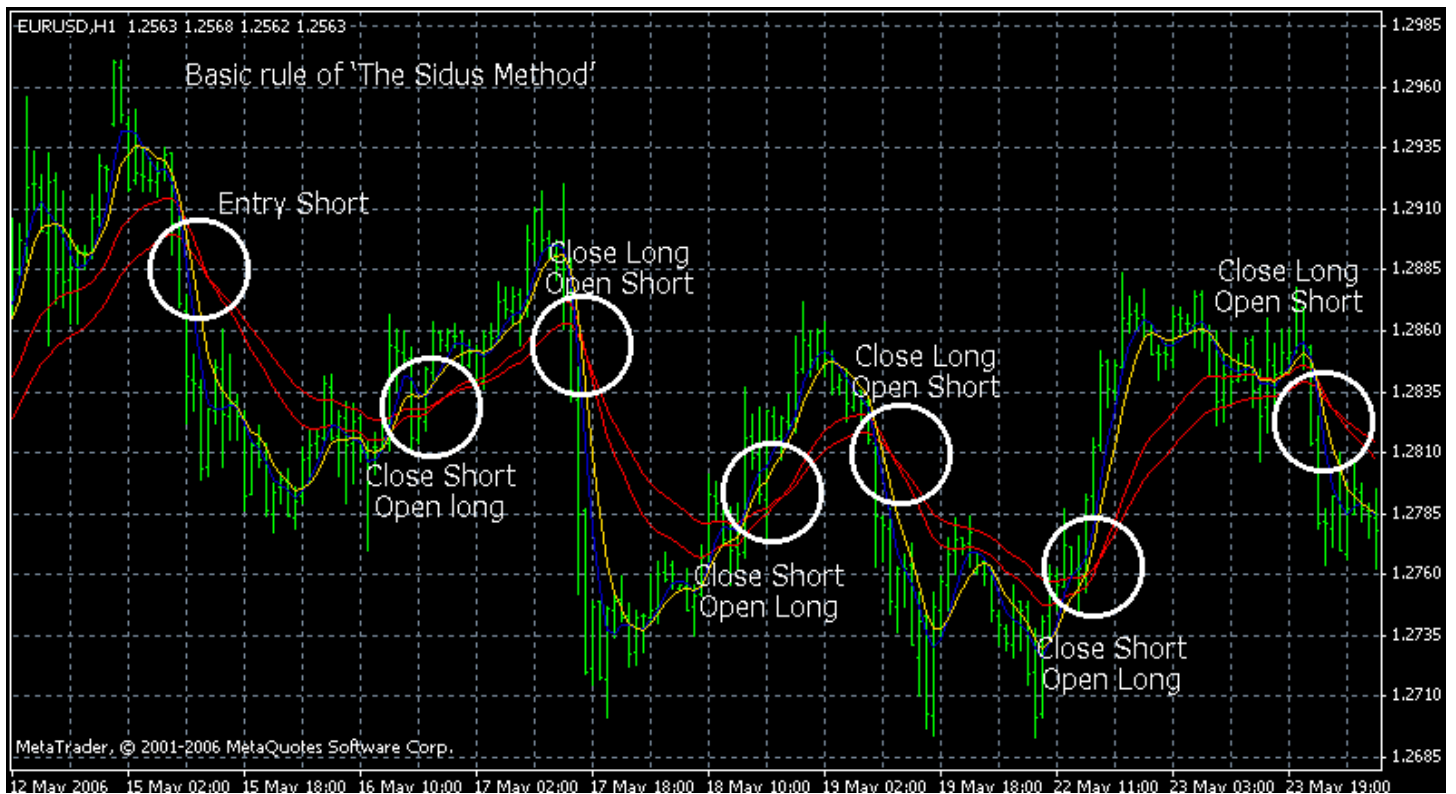
Always close your position when boundry's of the red tunnel cross eachother or when they become so narrow that they are one! This is a clear sign of a trend reversal. After you see this, close your position and open a new postion in the other way (If you were long, close, open a short postion)

When in a trade and the 5 WMA & 8 WMA cross the red tunnel -> Pay attention! As long as the red tunnel boundy's doesn't cross eachother there is no problem, but often this is a sign that they will!

Basic rule

!!!Enter a position were the red tunnel boundary's cross and exit that position when they cross again!!!

!!! Always use a stoploss - I recommend a 10-15 pip stoploss !!!



Example trades





Remarks

Money management is THE holy grail of forex trading! Please think about this and implement it. If you use this system it will give you nice rewards, but use money management to give you larger returns!

This method was manually backtested in real time on EUR/GBP and EUR/USD. I can only say it works for these pairs, as I didn't test with others.

I invite you all to make comments or additions, you can contact me at FF Forum (<http://www.forexfactory.com/forexforum/>) under the username 'Sidus'

I want to thank Vegas, Bunnygirl and all the nice people of ForexFactory for their great inspiration.