**Dynamic Zone RSI (Enhanced Version)**

We have been unable to track the original author of this indicator. It has been enhanced by adding a user defineable moving average Trigger Line. The indicator is particularly suited for lower timeframe intraday trading and uses 3 Cross Verification techniques within the same indicator

1. Bollinger Band’s – volatility analysis
2. RSI Analysis -Momentum
3. MA Trigger – user preference – signals rising momentum

**Trade Setup Signals**

For lower timeframe short term momentum trading Alerts

- Initial Trigger “alert” as RSI moves above Moving Average Trigger Line
- Failure to touch outer edge of Bollinger Band on swing Low/High (possible Divergence, not shown in the example below)
- Rising RSI above 50 level for long, below 50 Level for short trade
- Bollinger Band Centre Line Support
- Fibonacci Retrace support (where Possible)

In the example given below we have a classic short term momentum setup as all our alerts come into play. Using the Fibonacci grid as our 4th cross verification entry tool this can also be used as our initial stop loss method as explained below.

**Entry** may be taken in accordance with the traders personal risk profile and trade plan, a reasonable risk level is able to be achieved with the use of “cross verifications” in the traders trade plan, a minimum of 4 cross verifications should be used to enhance success potential.

**Initial stop loss:** Possibilities would be a close below the fib retrace at .618, .786 (not shown) or 100%. Alternative methods normally used by the trader should also be tested

**Trade Management:** allow profits to run as RSI pushes through the Bollinger band outer lines and the trade is managed by monitoring in real time the relationship between rising price and RSI postion to Bollinger Bands, a closer of the relationship between the Bollinger Bands and price does not necessary mean that the momentum has completely stopped, often a breather is taken and the expansion will continue. Take profits according to your trading risk profile or use an entry as described below
Exit: Conditions for exit of the trade can be as follows

- Profit targets met
- Double top in both RSI (second top inside BB’s) and price action
- Candlestick formation
- RSI closes below the MA trigger Line for long trade, above for short trade
- Any other conditions normally used by the trader to exit

The example given is an indication of the potential to develop various trade plans from using this indicator and users must verify the signals and setups to their own satisfaction prior to use in the markets. Trading Forex financial markets is a highly risky business and traders trade at their own risk. NO warranty or guarantee is given or implied in this example.

*Dynamic Zone RSI (Enhanced) – USD/JPY 30 M*