

Hello every body.

Well the first week which I started to writing my trades in "forex-tds" was absolutely nice and joyful.

Each week on Saturday night I will try to recap the whole activity that I had during the last week.

Also I didn't mentioned anything about the trading strategy used in my trades. However in general my trades are based on wave theory and Elliott wave.

In this trading method I only consider the new waves which has just started at the end of an old wave in the opposite direction.

Two major factor and one retracement!

Well in fact two things is very important(major factors) in finding these opportunities. Firstly, we must be get confident that this new wave is the start a new opposite trend. I can not say exactly how I apply this factor on my trades, but generally by using Elliott wave rules and with breaking the trend lines.

Secondly, we have to be assure that this new wave which is made recently is the one MONO wave. I mean it should be the first wave of the new trend. (1 or A). it shouldn't be the combination of new waves of new trend.

The last factor is very important and I can say in most of trades that going to be turned out as a loss trades the second factor hasn't been applied. And actually it is true for all stopped trades.

Again for the second factor I consider the inside of the new wave and studying its internal waves. (the lower grade waves).

After all I will be waiting for one retracement, this new retracement will make the correction wave (2 or B) which will triggered my limit order.

There is a question. How much I have been accurate in considering the two major factors in my trades?

Well I can say I am 100% accurate in considering the first factor. Why? Because obviously the new trend has been formed and actually we can see it. And when you can see something it means it exists.

Unfortunately I cant say I am 100% accurate in considering the second factor.

Because the wave theory is really complicated and no one can claim I can completely formulize the market by these theories. At least I can't

Any way I would say there is 50% accuracy in applying the second major factor in my trades. And that's why I think the Win/Loose portion in my trades are 50%/50%.

Time analysis and having wave analysis skills are the only tools for this factor.

How can we say the retracement is really a correction?

Actually this is one of the best questions that can filter must of the false trades.

Because corrections are very time consuming and moving slowly, so the sharp movement against the identified new trend is not necessarily a correction. It could be the continues of the last trend. And it means the new opposite trend that we identified earlier wasn't a MONO wave like wave "1" or "A", and it was the whole movement of a multiwave correction (the whole 1orA and 2orB and 3orC).

That's why I always cancel the limit order if I find that the retracement is approaching to the limit order very sharply. Unfortunately most of the time I just set the order and then check it at night. By this approach we can not filter the wrong trades in this way.

How I set the stop loss and targets and the precise situation of order?

Usually I put the order in 61.8% retracement of the new identified wave, sometimes more. The stop loss will be at the starting point of the new identified trend and target are usually considered at least two times of stop loss. Which means the tp/sl ratio in my trades are at least 2/1.

I will try to show these rules on the chart of this week trades. And hopefully this will be the final recapping in all weekends.

The first order was on the Cable:



The first factor: I considered the highlighted wave as a new wave in the opposite direction.

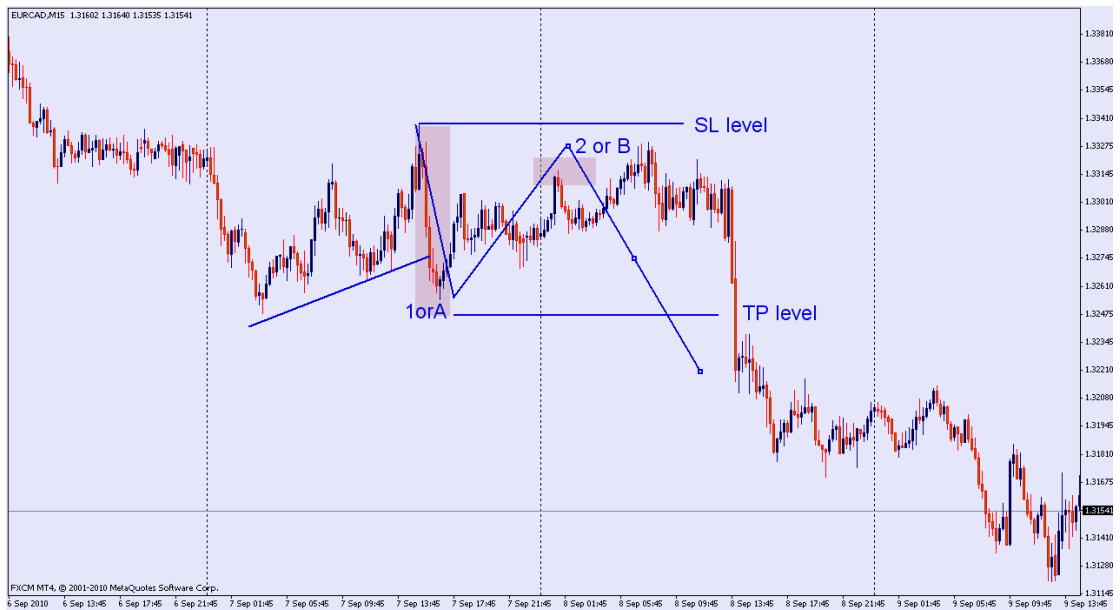
The second major factor: I considered this highlighted wave as a Mono wave (1 or A) so after that I should see a correction and then again another decline.

The retracement: yes it happened and I was right about my major factors, but I wasn't lucky actually because I really expected market to reach to the highlighted point as a target of "2 or B" wave.

The second order was on the USDSEK which exactly something similar happened. Market didn't touch my limit order. What a shame because the day after retracement market flied beyond my target.

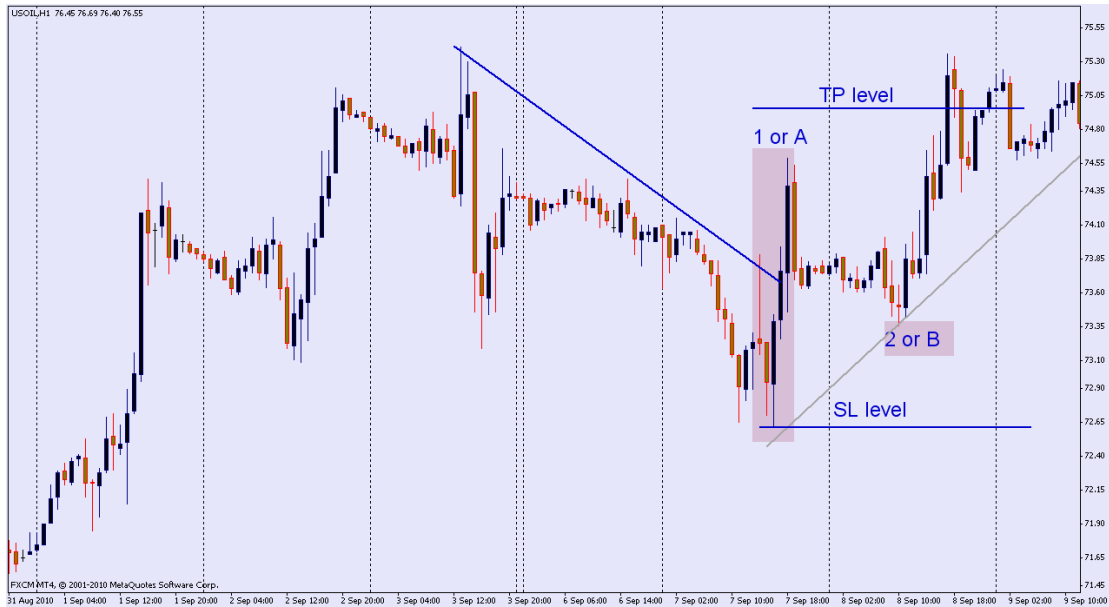


The third order was on EURCAD, and as you see this was our first win order in this week.



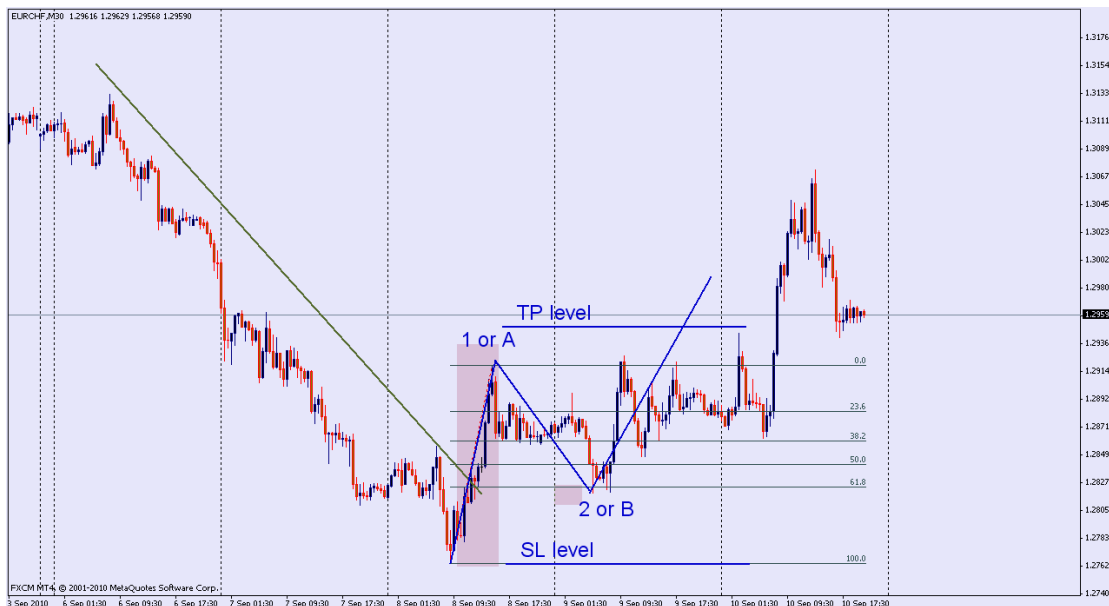
I considered the first highlighted wave as a new Mono wave like 1 or A. One of my reasons was this wave had broken the lower trend line of the last upward correction. The retracement was a little more than usual, but luckily it didn't touch the SL level.

The fourth order was on OIL.



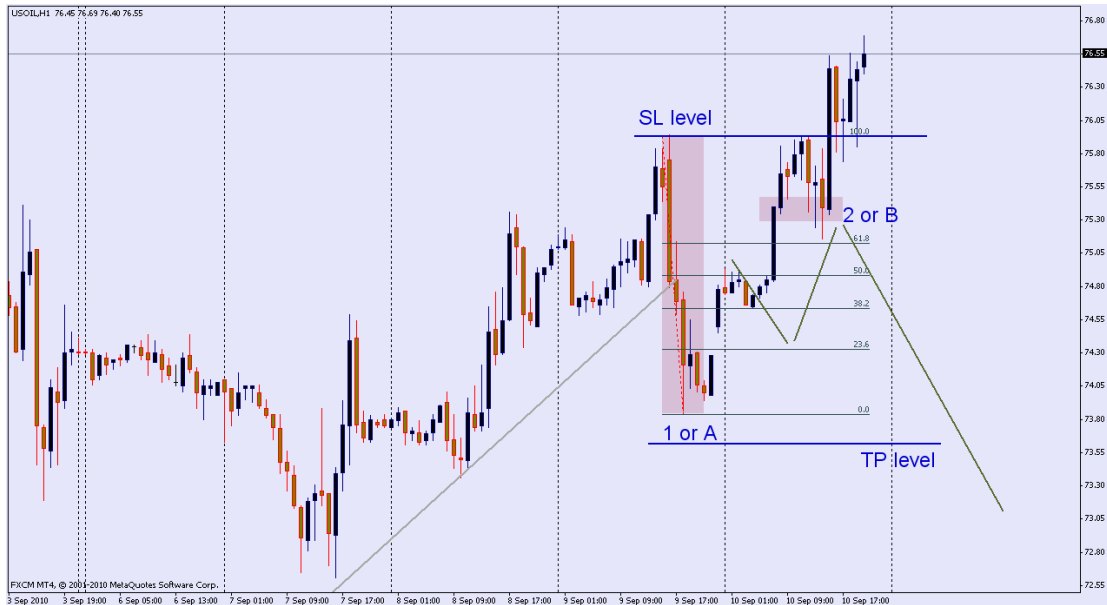
Again you can see the stop and target levels in the above chart. The reason I chose the highlighted wave as a new Mono wave was again its sharpness and also breaking the last trend line.

The fifth order was on EURCHF



Everything is clear on the chart. Unfortunately I closed this order on $tp=sl=60$ pips which was one of my mistakes because as you see, finally it got to the target on Friday.

And the final order which was my Loose order, the second OIL position.



I consider the highlighted wave as a new mono wave in the opposite way, well actually it wasn't a mono wave, I must confess the shape still seems MONO but actually it didn't work.

I mean, after finishing that wave that I named it (wrongly) 1orA, I expected the retracement to rise until the 2 or B, highlighted area. It rose but unfortunately it passed from it and hit the Stop loss level.

Actually this could be one of the example that wave theories doesn't work always, and to be honest it is not weird for me because I have seen lots of these stopped orders that logically shouldn't have ended up as loose order.

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