

5 MINUTE EMA INTRADAY TRADING SYSTEM

Adapted from Original developer – Phillip Nel

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1. THE CHART SETUP:

- 1.1 5 min candle chart - EUR\$, GBP\$, JPY\$ & EURJPY pairs
- 1.2 Put a 10 & 21 EMA & 50 SMA on each chart
- 1.3 SMAngle (post #399 on page 27 of thread & page 39) & 21 EMA based on first indicator data on this indicator
- 1.4 Put the following horizontal lines on the SMAngle indicator:
 - 1.4.1 0.1, & -0.1, on the EURUSD, GBPUSD & USDJPY pairs
 - 1.4.2 0.15 & -0.15 on the EURJPY pair
 - 1.4.3 0.4 & -0.4 on all 4 pairs
- 1.5 Optional – PhilNelsignals indicator (post #399 on page 27 of thread & page 39) downloaded from thread
- 1.6 Optional – The EJ_CandleTime(1)H indicator from the 4h MACD thread to look at the time left before closure of current candle.
- 1.7 Optional – ADX indicator set at 13

Example of Chart:



2. THE TRADE CRITERIA:

- 2.1 Wait for the 50SMA angle to be more than 20 degree (subjective – no accurate measurement)
- 2.2 Wait for 21EMA on SMAAngle indicator to cross the 0.1 or -0.1/0.15 or -0.15 line.
 - 2.2.1 The area between the 0.1 and -0.1 lines is called the no-trade zone.
 - 2.2.2 No trades to be taken if 21MA is in the no-trade zone.
- 2.3 Wait for price to pull back through 10EMA to 21EMA (area between 10MA & 21MA is called the fire or war zone)
- 2.4 Optional – SMAAngle bars to be higher or lower than 0.2 or -0.2 line

Example of chart:



3. THE TRADE SET-UP:

- 3.1 Draw a small trend line from the:
 - 3.1.1 Last High or Low before the cross of the 51MA
 - 3.1.2 Next high/s or low/s to form a small trend line
- 3.2 Ensure that the price and candles stay within the small trend line
 - 3.2.1 Any break-out cancels the set-up/possible trades
- 3.3 Specific manner of pullback of candles towards war zone:
 - 3.3.1 Smooth and flat pullback of candles – no steep pullback or big candles
 - 3.3.2 Smooth rounding of top/bottom (wave-like pullbacks) – no sharp V shape change of direction
 - 3.3.3 Ascending of descending triangle being formed between resistance/support level and small trend line drawn
- 3.4 Identify the first candle to enter the war zone towards 21MA
- 3.4 Wait for second/more candle to pull back from 21MA towards 10MA
- 3.5 Enter the trade on the pullback a few pips away from the 21MA

Example:



4. THE TRADE:

- 4.1 Use a market order to enter within the war zone as specify
- 4.2 Put Stop Loss 6+spread pips away
- 4.3 Move stop loss to breakeven after a clean 6 pips gain/profit (brokerage/spread included)
- 4.4 No Trailing Stop Loss
- 4.5 Put/activate profit limit on 10-15 pips
- 4.6 There are plenty of chances to get in a trade:
 - 4.6.1 Don't try to trade every signal that might work
 - 4.6.2 Wait for the good setup to occur
 - 4.6.3 **Wait for the High probability ones**
 - 4.6.4 Rather miss an opportunity than to get involve in a bad/wrong set-up

5. PHILLIP'S ORIGINAL CHART:

