

Welcome

Okay, I told you a little lie (shock horror!), on the very first page of this short publication... It's says, "Super Sunday **System**", but this being a 'system' is not strictly true.

It is more of a *strategy*... however this is probably one of the *simplest* Forex strategies you will *ever* come across!

Anyway, you're getting it for free, it's been proven to work by many people for years, and is nothing totally new (shock horror again!!).

But again, I have given this strategy a **very special** "tweak", and you are unlikely to see this *anywhere* else – I certainly have never seen it like this!

Let's get to it...

The Concept

You know about the “Sunday Gap”, right?

Okay, if you don’t, then listen up...

The Forex market is closed from Friday evening until Sunday evening (assuming GMT time to make it easier for everyone).

Quite often the price that currency pairs open at on Sunday is different from what they closed at on Friday – this different is called the ‘Gap’.

Now, price almost always “closes” the gap, that is, price trades up (or down) to where price was on Friday within 24 hours (but *occasionally* a lot longer).

Sometimes the gap can be 20 pips... and sometimes it can be 200!

Take a look at the following – a 30-minute chart of the USD/JPY pair:



So by selling on Sunday as the market opened there was 20 pips available... which was fulfilled over the next 4 hours.

This is a valid strategy – just look for gaps... however there becomes a fairly significant issue and that is: What if the market goes the other way?

Remember, the market does not have to close the gap, it can take as loooooooooong as it wants – even if that means going 800 pips in the *other* direction before closing the gap (which can happen, I saw it once on the EUR/JPY, it eventually closed the gap four days later on a Thursday!).

Take a look at this example:



So there was a 14 pip potential profit on this gap... but just buying on Sunday when the market opened would either result in a large loss as the market went against you and you're squeezed out... or you try and stomach the large drawdown.

Either way not a great trade at all in the case!

This is where we “tweak” this market gap thingy...

How We Do It

We require knowledge of candlesticks to help us. If you don't know anything about them... you'll probably do okay as I explain it pretty well anyway! 😊

We're going to use our knowledge of candlesticks and how they work to "tweak" the Sunday Gap strategy into something that we can trade with security and confidence!

What we do is actually really simple; we look for a gap on a currency pair and then, instead of just jumping in, we wait patiently until we get a solid candlestick pattern.

A candlestick pattern does three things for us:

- #1 – Confirmation, with the occurrence of a reliable candlestick pattern, of what we are hoping the market is going to do.
- #2 – Somewhere to place our stoploss – we do not trade without it!
- #3 – We will typically get an even better entry price!

As always, the best way to explain is with actual examples, so let's get to it...

First example is on the EUR/USD 1-hour chart.

We get a decent gap and then a solid-looking Harami pattern occurs:



Now, from this first example, what do you notice?

Our entry was even lower than the initial gap!

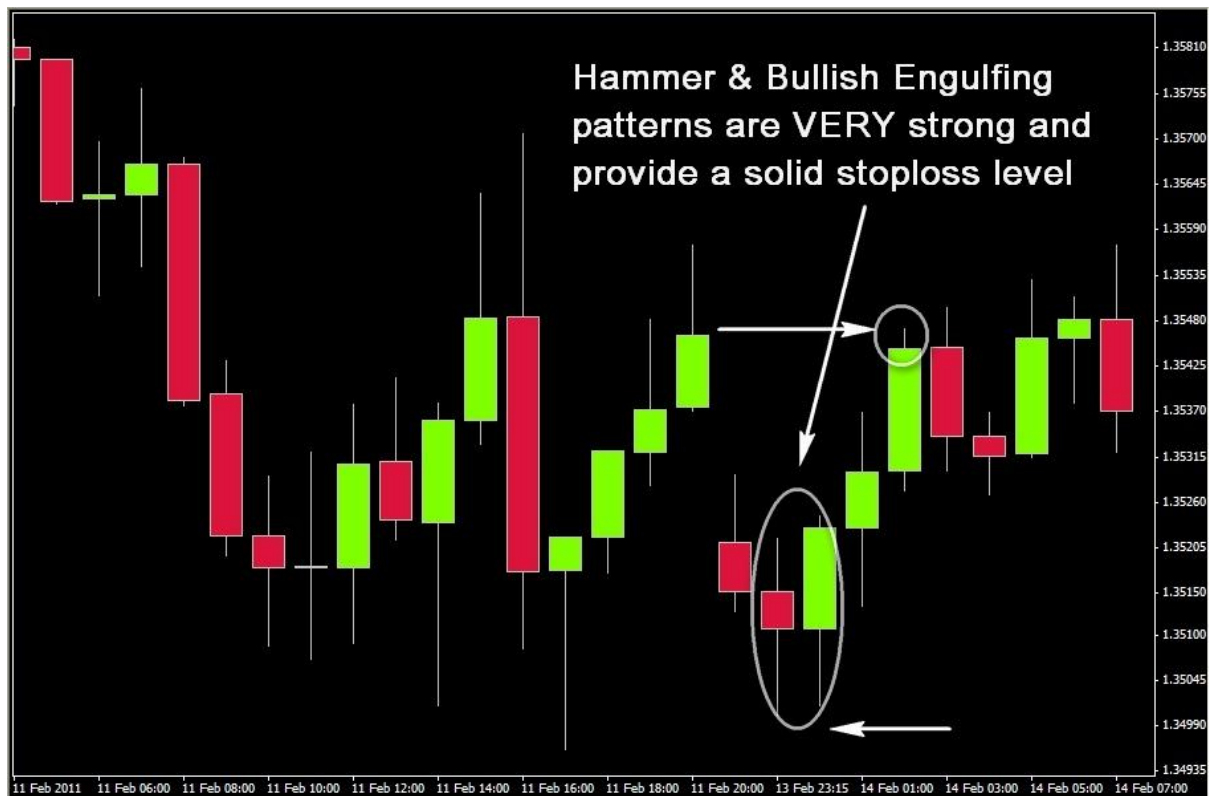
The initial gap was 22 pips... but our entry (after the Harami formed) would be almost 20 pips lower.

The total available to us on this trade was around 40 pips – almost double that of what was available right on the open.

We also get a very small stoploss of around 18 pips by placing it below the low of the Harami pattern.

The next trade is again on the EUR/USD 1-hour chart.

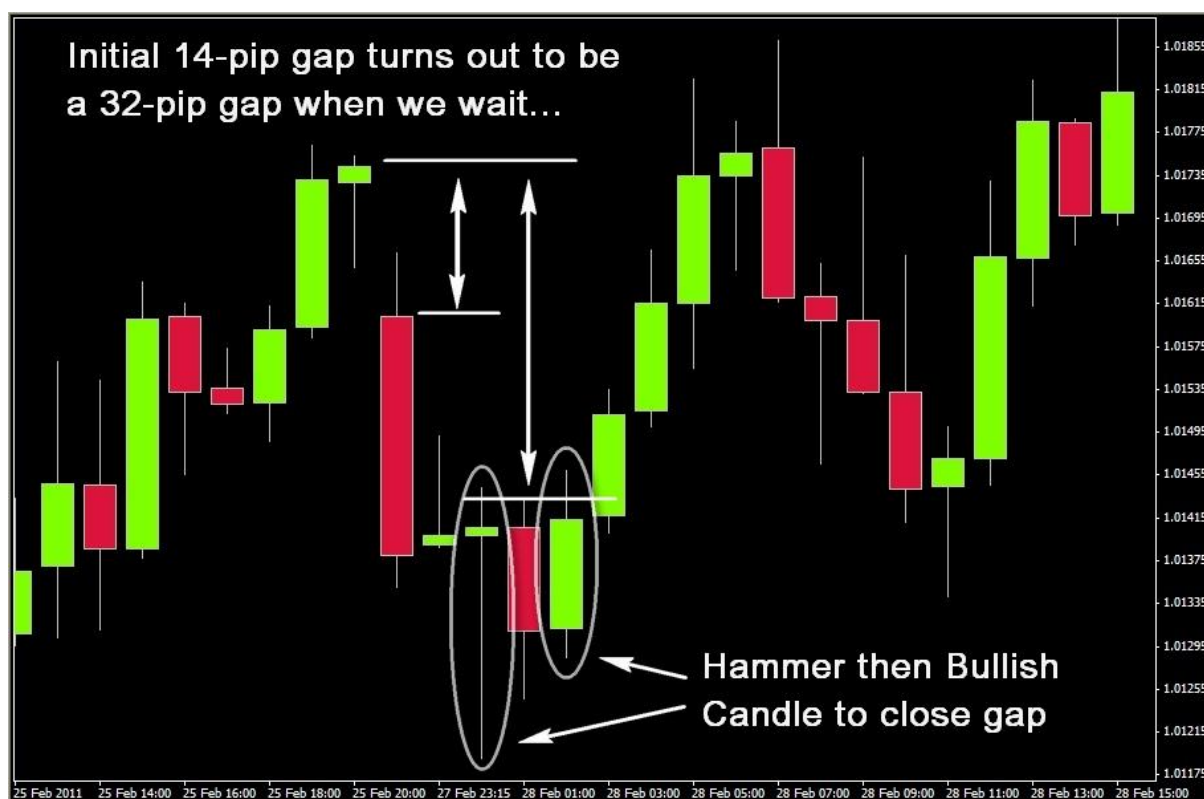
We get a 25 pips gap on Sunday... then we wait for candlestick confirmation; we get this around 2-3 hours later in the form of a Hammer candle AND a Bullish Engulfing together:



The combination of the Hammer and Bullish Engulfing pattern is very powerful.

You could however have entered right after the Hammer formed – this was a good signal itself!

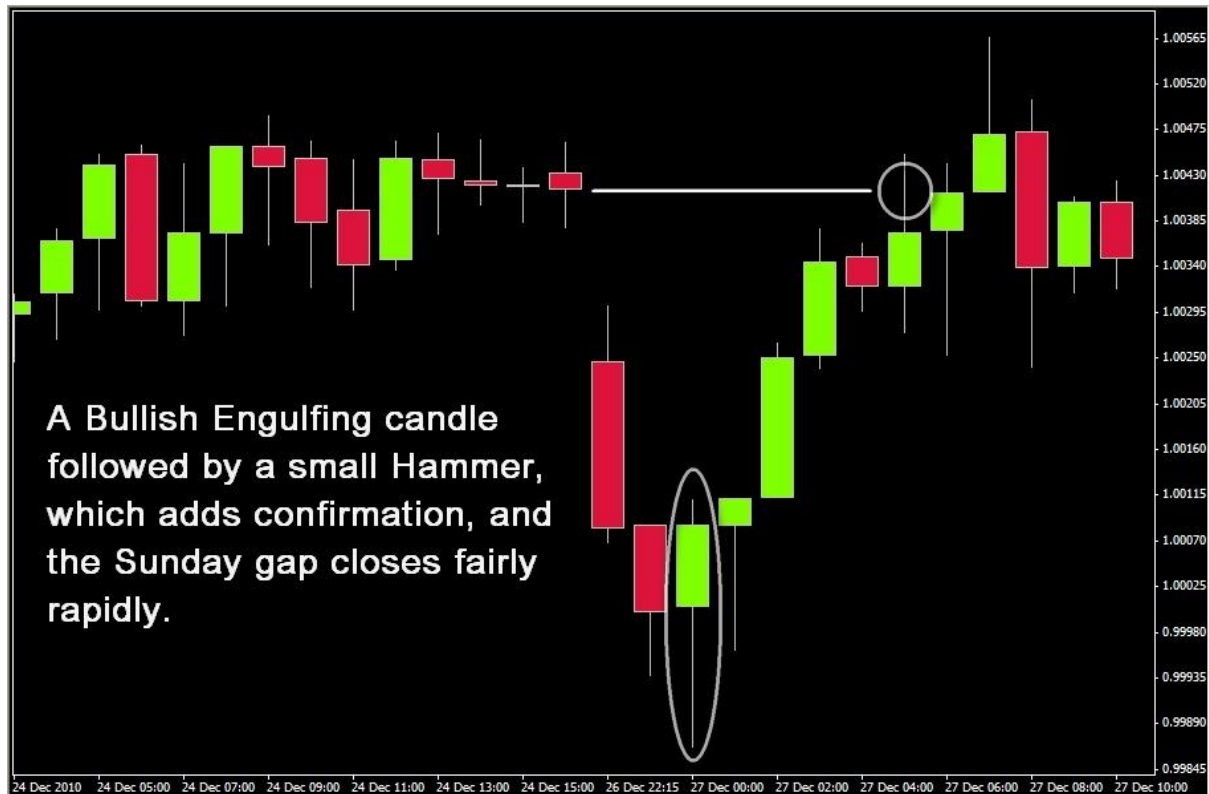
The AUD/USD provides a nice opportunity on the 1-hour chart:



This is a prime example of how an initially small gap can be played as a large one if we wait for candlestick pattern confirmation.

The main candlestick here is the Long-legged hammer and then further confirmation of this pattern with the Bullish candle.

In this final example we get an absolutely clear-cut Bullish Engulfing candle on the AUD/USD 1-hour again:



The Bullish Engulfing candle, as seen above, is one of the most powerful candles you will see – this is equally so when they indicate a reversal and a continuation.

I am sure you have learned something from this little strategy... if it's not Sunday right now as you're ready this then go and take a look at old charts and check out how many opportunities there are with this!... and if it is Sunday – then start preparing for your trade!

This short report was presented by:

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