SIMPLE SYSTEM (for H1 only)

Hello traders.

Here I'm presenting to you the simplified version of my Simple System in the best possible way that I can.

As I promised in one of the forum posts some time ago, I did get rid of CCI indicator.

It was causing some confusion amongst the traders .

Instead I added 4 indicators but 6 to the chart.

So much for making it simpler . Just kidding. Believe me it IS simpler!

The 3 indicators are as follows :

2 ZigZag pointer alert indicators .

They print arrows at different time intervals.

The Big Black Arrow is the slow ZigZag and the small black arrow is the faster ZigZag.

They update ("repaint") as the price moves. Don't worry, we will work around that.

If you don't like the arrows you can use MT4 ZigZag indicator with the settings listed below.

I personally don't like too many lines on my chart.

The next one is the Breakout indicator . This is your trend change confirmation.

The last one is the Round levels indicator. It marks round number levels at every 50 pips.

Each one of these indicators is as important as the other.

The following are the settings for each of the indicators you are going to use.

ZigZag Pointer Alert 1 (Big Black Arrow)

Settings:
ExtDepth: 360
ExtDeviation: 90
ExtBackstep: 45

ZigZag Pointer Alert 2 (small black arrow)

Settings:
ExtDepth: 120
ExtDeviation: 75
ExtBackstep: 15

Breakout Signal (Big Blue / Red Arrow)

Depth :360
Deviation :90
Backstep :45

Breakout Signal 2 (small blue/red arrow)

Depth: 120
Deviation:90
Backstep:45

Round Levels

Number of Levels: 10
Interval between Zones in Points: 500
Zone width in Points: 100

Now let's get into the "meat" of the system.

As per original, you will mark the highest and the lowest price of the past 2 weeks .

Using Fib retracement tool set to W.D. Gann percentages of 12.5%, 37.5%,50%, 62.5% and 87.5%,

you are going to mark price retracement zones between 0% to 12.5%

and between 87.5% and 100%. If the zone gets broken,

you will move the zone according to the new low or high price level.

When the price gets into the zone you will wait for the Big Black Arrow to pop up.

The Big Black Arrow is the signal that the trend is either done or coming to an end soon .

The trend may end right there and then but you don't know that yet.

You are going to wait for the Breakout Signal Arrow to confirm the end of the current trend.

Keep in mind that this is not guaranteed but it's highly likely that the trend has ended and it's heading in the other direction.

You WILL NOT open a trade just because you have a Breakout Arrow appearing on your chart.

This is where you are waiting for the round number level.

You will let the market push through the round number level, close H1 candle above it or below it (depending of either short or long trend signal) and come back to that round number again.

When the market returns to the round number level as in the long trade on EURAUD example below, you will enter the market with the stop set below the Big Black Arrow .

(I entered a few pips before 1.6150 as I saw the price moving up towards 1.6150 again.)

The market will push the price trough the round number and then return to that round number again. This happens almost every time.

Sometimes it will take over 24 hours to come back but it will come back more often then not.

Now that you have a new trend, you are going to open any new trade ONLY in the trend direction till you get a new Big Black Arrow suggesting the end of the current trend and a start of a new trend.

You will open any new trend following trades in the following order:

A small black arrow pointing in the trend direction appeared on your chart.

You will open a new trade immidiately and set your stop at maximum of 40 pips, or more conservative entry is confirmation of small blue arrow.

Your TP the next small black arrow in the other direction.

If a small black arrow has appeared on a round number SL is 30 pips max.

YOU WILL OPEN TRADES IN THE DIRECTION OF THE CURRENT TREND ONLY!

BIG BLACK ARROW AND THE BREAKOUT ARROW are pointing the trend. Don't trade against it!

Small black arrows pointing in the other direction are only used for closing the current open trade if that happens before the TP target you had set.

Wait for the next candle to close as the arrow may move further with price.

Since you will be trading on H1 time frame only, I recommend that you aim for 50 pips per trade and when taking a 2nd trade off the small arrows that is ***<u>all you will aim for!</u>***

This will give you more winners and more consistency and therefore high confidence in the system and so confidence in your own ability to trade.

There is no need to be greedy. You can make good living from 200 pips per week.

As you know 200 pips can be $20, $200, $1,000, $5,000 or $20,000.

It all depends on the size of your account .

When you are setting your SL, make sure you are risking the same amount of money on every trade.

For an example, you are risking $500 per trade regardless of the number of pips in your SL.

Your stop is let's say, 30 pips on EURUSD and your trading account is in $AUD (like mine) your trade size would be 1.2 lots. Your win would be $780 and loss $500.

If your SL is 15 pips, your will still risk $500 but now your trading lot is 2.4 due to lower pips in your protective stop,which in return will give you a potential target of $1370 .

You can still set your pip target at our old targets at 50% and 62,5% <u>BUT</u> you will need to have some hard discipline and patience.

Lot of the time the price will move 50 pips in your favour, then go back to your entry and even a few pips in the red, making you panic and close your trade prematurely and possibly turning it into a losing trade.

This is where you have to "fight and beat yourself " . You will be your own worst enemy in this situation. Here is where you will need discipline. The easiest way to avoid this is to close your platform and let the trade unfold . It will be either a win or a loss.

You will have losses, there is no way around it. If you can't sleep because of your open trade, you are over-trading and risking too much of your funds. Risk 2% per trade MAX!

If you get a betting average of 50% with this system you will be killing it,

especially if you aim for 62.5% targets.

So there you have it.

Go forward and prosper!

Just a reminder; I only trade H1.

Any questions about trading this system on lower timeframes I will not answer.

You may as well ask me about breeding humming birds, the answer will be the same. I have no idea.

It is not because I want to be nasty but because I don't trade lower TFs so I am of no help there.

If you want to trade H4 with this I would incourage that as you'll get better signals but you should aim for higher targets and probably pick 4 week high and lows.

This is just my assumption not my tried and tested theory.

Thank you all and may God bless every each and one of you!

LINK TO POSITION SIZE CALCULATOR:

[*https://www.myfxbook.com/forex-calculators/position-size*](https://www.myfxbook.com/forex-calculators/position-size)

Trade examples follow below.

NEW TREND
ENTRY AT NEW SMALL ARROW
MARKET BREAKS
ROUND NUMBER LEVEL
MARKET COMES BACK
THROUGH ROUND NUMBER LEVEL
PRICE MOVES UP
TO ROUND LEVEL AGAIN.
ENTRY AT 1.1700
NEW TREND

SL
NEW TREND STARTS
ROUND NUMBER ENTRY
50 PIPS TP
and OPPOSITE ARROW
NEW TREND
STARTS
ROUND NUMBER ENTRY
SL

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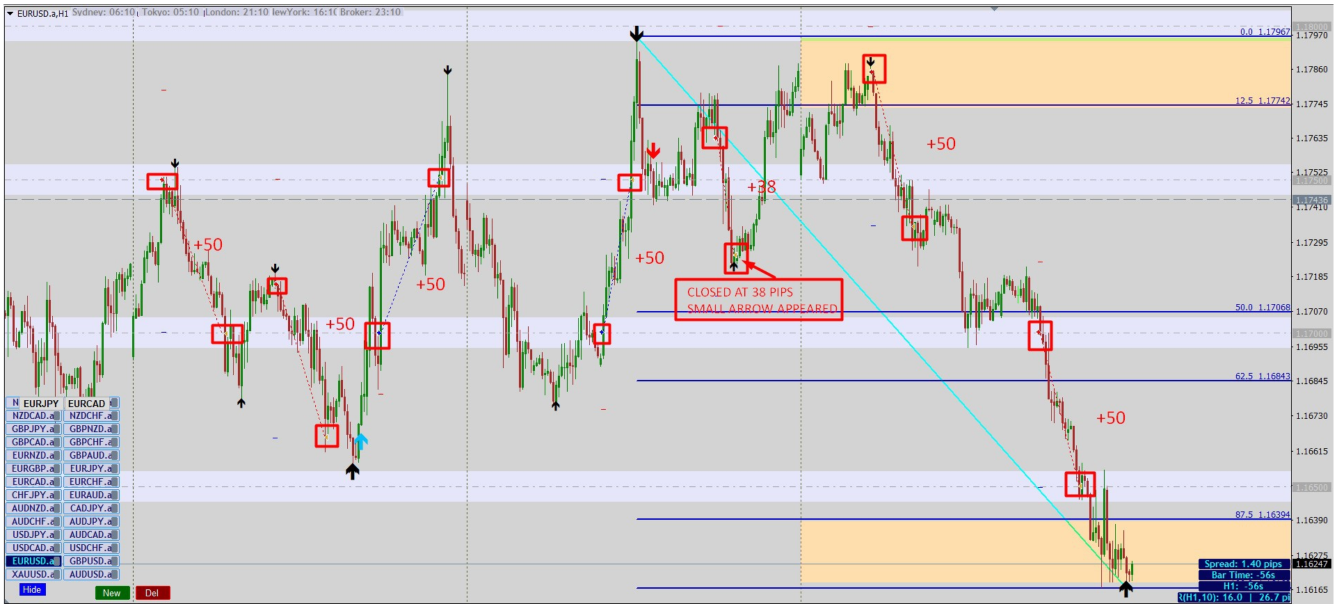
An example of price moving back past your trade entry

Losing trade example. Yes,it does happen!

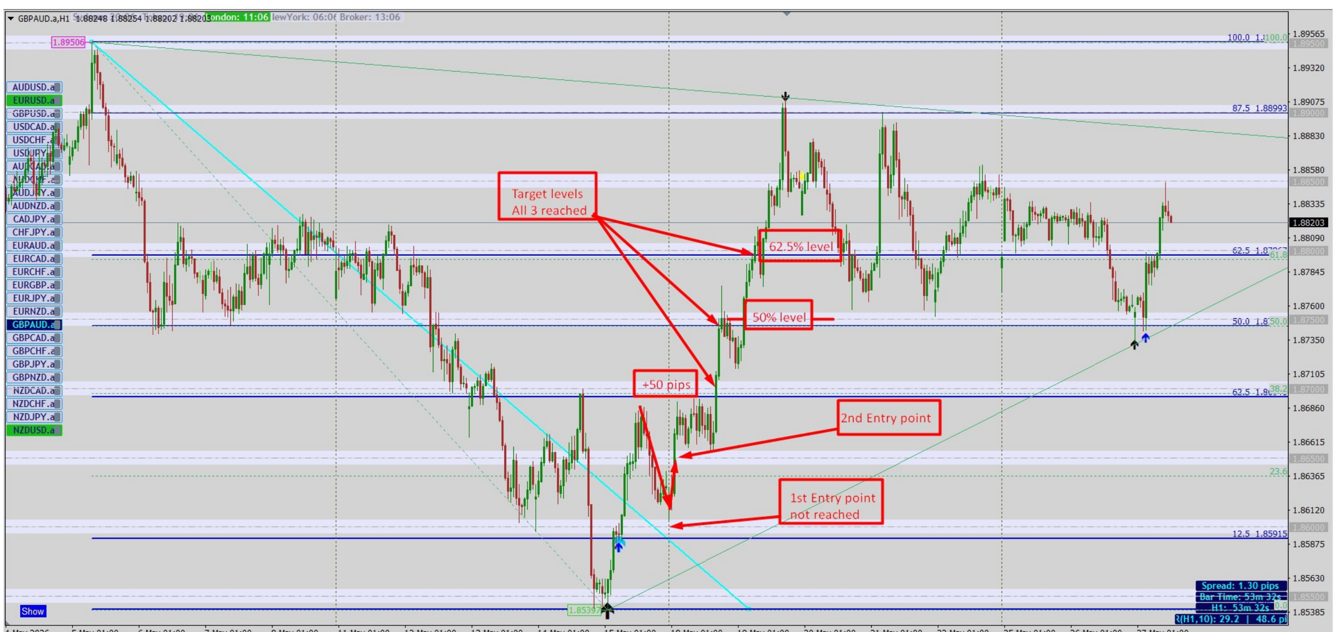
<u>A trade forming</u>

<u>Gold example</u>

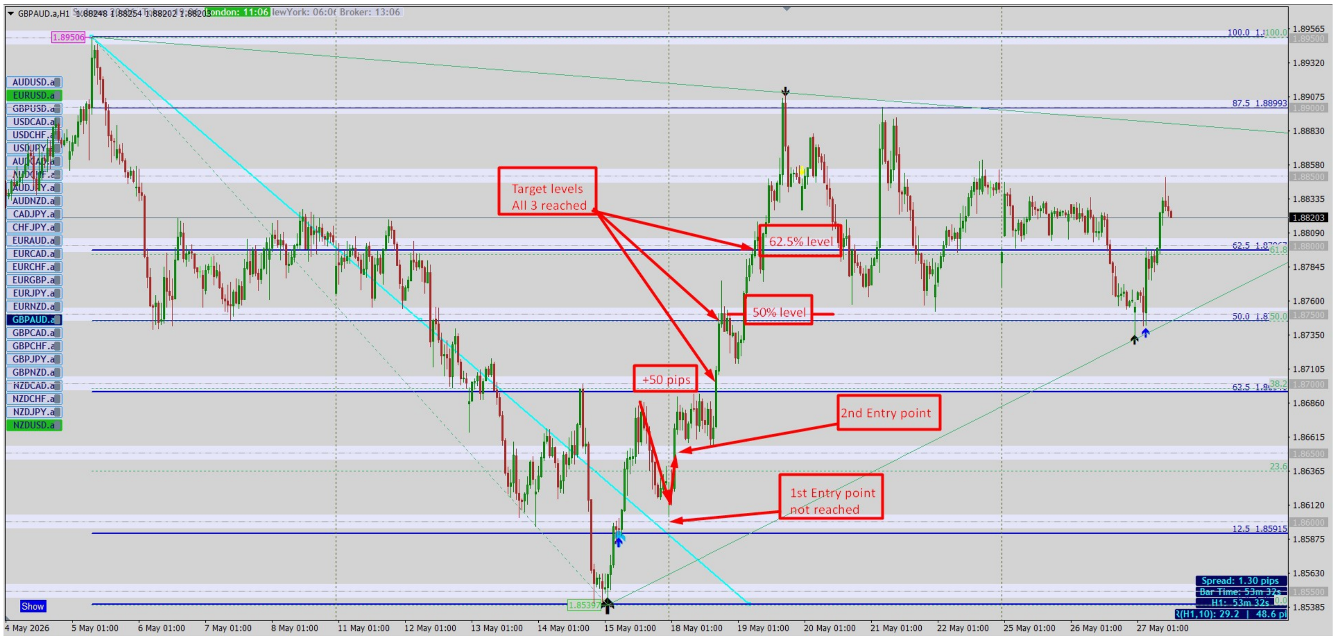
338 pips in 3 weeks on one pair. EURUSD 7 trades. This was a no loss run on EURUSD.



The price aiming for heavens and not making turns



The result of GBPAUD trade forming from a previous chart.



Target levels
All 3 reached
62.5% level
50% level
+50 pips
2nd Entry point
1st Entry point
not reached