

Uptrend setup Conditions 1

- A) 40 SMA is flat or going up & LH5 \leq 40 SMA of the LH5 bar.
- B) 5 EMA is going down a minimum of 2 successive bars (last 2 bars ignoring flat EMA bars)
- C) Setup bar must be a green candle (close > open) or a red candle followed by an inside bar that is a green candle, otherwise ignore inside bars.
- D) ADX5 > 25

Notes

- As long as Condition A & B are met, a setup bar remains valid until entry order filled or a new setup bar occurs.
- Stand aside if a Spring Method trade is open. This is because the Spring Method is trading a counter trend move which usually will overpower an ignition Method setup.

Uptrend Entry Rules1

Once a setup bar occurs, we can consider placing a trade for the following bar as follows:

Buy at the setup bar high + 2 Pips + Spread Stop

Uptrend Setup Conditions 2

(Only to be used if setup Conditions I has not occurred first)

A) 40 SMA is flat or going up & LH5 > 40 SMA of the LH5 bar.

B) 5 EMA is going down a minimum of 2 successive bars (last 2 bars ignoring flat EMA bars) before turning up: 5 EMA of setup bar > 5 EMA of previous bar.

C) ADX5 > 25

D) Setup Conditions 1 has not occurred first.

Note

Stand aside if a Spring Method trade is open. This is because the Spring Method is trading a counter trend move which usually will overpower an Ignition Method setup.

Uptrend Entry Rules 2

• Once a setup bar occurs, we can consider placing a trade for the following bar at the open as follows:

Buy at the market

Uptrend Initial Stop

When the entry order to buy is filled, immediately place the initial stop order as follows:

Sell at the setup bar low — 2 Pips Stop

Uptrend Follow Up Stop 1

If not stopped out on the initial stop, change the stop after the close of each bar as follows as long as this new stop is higher than the old stop:

Sell at the LL3 — 2 Pips Stop (ignore inside bars)

Uptrend Follow Up Stop 2

• As soon as you have an open profit of at least 75% of 1 ATR20 and the entry price > LL3, change the stop to breakeven as follows:

Sell at the Entry Price Stop

When this occurs, your trade becomes a free trade, as the worst that can happen is that the trade breaks even.

Uptrend Exit Strategy

The strategy to exit the trade profitably is to scale out of the trade in 2 steps:

1. Exit half of the position at a predetermined profit target based on 1 ATR20 (as of setup bar) and tighten up the stop on the remaining 1/2 position as soon as possible.

2. Exit the remaining 1/2 of the position at a predetermined profit target based on 2 ATR20 (as of setup bar).

Profit Target 1 exit

1) Sell $\frac{1}{2}$ position at Entry Price + 1 ATR20 Limit

2) When profit target 1 is hit, change the stop on the remaining $\frac{1}{2}$ position to previous bar low — 2 pips Stop if greater than breakeven.

3) Continue to move the stop up after each bar closes as follows:

Sell remaining $\frac{1}{2}$ position at previous bar low-2 pips Stop

Profit Target 2 exit:

Sell remaining $\frac{1}{2}$ position at Entry Price + 2 ATR20 Limit

Downtrend setup conditions 1

A) 40 SMA is flat or going down & HL5 < 40 SMA of HL5 bar.

B) EMA is going up a minimum of 2 successive bars (last 2 bars ignoring flat EMA bars)

C) Setup bar must be a red candle (close < open) or a green candle followed by an inside bar that is a red candle, otherwise ignore inside bars

D) ADX5 > 25

Notes

As long as Condition A & B are met, a setup bar remains valid until entry order filled or a new setup bar occurs.

Stand aside if a Spring Method trade is open. This is because the Spring Method is trading a counter trend move which usually will overpower an Ignition Method setup.

Downtrend Entry Rules1

Once a setup bar occurs, we can consider placing a trade for the following bar as follows:

Sell at the setup bar low — 2 Pips Stop

Downtrend Setup Conditions 2

(only to be used if setup Conditions 1 has not occurred first)

A) 40 SMA is flat or going down & HL5 < 40 SMA of the HL5 bar.

B) 5 EMA is going up a minimum of 2 successive bars (last 2 bars ignoring flat EMA bars) before turning down: 5 EMA of setup bar < 5 EMA of previous bar.

C) ADX5 > 25

D) Setup Conditions 1 has not occurred first.

Note

Stand aside if a Spring Method trade is open. This is because the Spring Method is trading a counter trend move which usually will overpower an Ignition Method setup.

Downtrend Entry Rules 2

Once a setup bar occurs, we can consider placing a trade for the following bar at the open as follows:

Sell at the market

Downtrend Initial Stop

When the entry order to sell is filled, immediately place the initial stop order as follows:

Buy at the setup bar high + 2 Pips + Spread Stop

Downtrend Follow Up Stop 1

If not stopped out on the initial stop, change the stop after the close of each bar as follows as long as this stop is lower than the stop:

Buy at the HH3 + 2 Pips + Spread Stop (ignore inside bars)

Downtrend Follow Up Stop 2

• As soon as you have an open profit of at least 75% of 1 ATR20 and the entry price < HH3, change the stop to breakeven as follows:

Buy at the Entry Price Stop

Downtrend Exit strategy

The strategy to exit the trade profitably is to scale out of the trade in 2 steps:

1. Exit half of the position at a predetermined profit target on 1 ATR20 (as of setup bar) tighten up the stop on the remaining 1/2 position as soon as possible.

2. Exit the remaining 1/2 of the position at a predetermined target based on 2 ATR20 (as bar).

• Profit Target 1 exit:

1) Buy ½ position at Entry Price - 1 ATR20 Limit

2) When profit target is hit, change the stop on the remaining 1/2 position to previous bar high + 2 pips + Spread Stop if less than breakeven.

**3) Continue to move the stop down after each bar closes as follows:
Buy remaining ½ position at previous bar high + 2 pips + Spread Stop**

Profit Target 2 exit:

Buy remaining 1/2 position at Entry Price - 2 ATR20 Limit