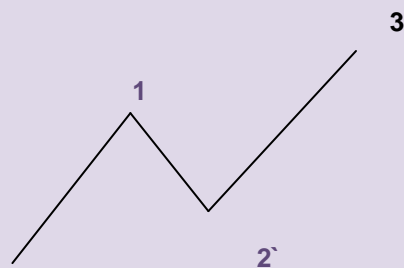


Bearish Counter Trend Setup Conditions

- Point 1: is a swing high* that < Point 3
- Point 2: is a swing low between points 1 & 3
- Point 3 is the highest high of the last 5 bars



*A swing high is any high where there are at least 3 lower highs than the swing high bar high and 3 lower lows than the swing high bar low on either side of the swing high bar (these do not have to be consecutive bars)

Bearish Counter Trend Setup Conditions

- A) 40 SMA is going up & Point 3 > a swing high (Point 1) & HL5 < Point 1.
- B) The number of bars between Points 1 and 3 cannot exceed 20 bars.
- C) 5 EMA turns down a minimum of 1 pip after going up at least 1 bar (last bar ignoring flat EMA bars).
- D) ADX5 > 25

Bearish Counter Trend Entry Rules

Sell at the market immediately after the setup bar closes

Bearish Counter Trend Initial stop

Buy at Point 3 High + 2 Pips + Spread Stop

Bearish Counter Trend Follow Up Stop1

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 lower than the old stop:

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

Bearish Counter Trend 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

Exit Strategy

- 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 % 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:

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

1) When profit target 1 is hit, change the stop on the remaining $\frac{1}{2}$ position to previous bar high + 2 pips + Spread Stop if less than breakeven

2) Continue to move the stop down after each bar closes as follows:

Buy remaining 1/2 position at previous bar high + 2 pips + Spread Stop

Profit Target 2 exit:

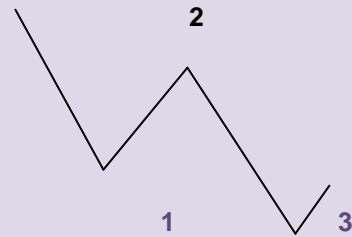
Buy remaining 1/2 position at Entry Price - 2 ATR20 Limit

Bullish Counter Trend Setup Conditions

Point 1 is a swing low * that > Point 3

Point 2 is a swing high between points 1 & 3

Point 3 is the lowest low of the last 5 bars



*A swing low is any low where there are at least 3 higher highs than the swing low bar high and 3 higher lows than the swing low bar low on either side of the swing low bar (these do not have to be consecutive bars)

Bullish Counter Trend

- A) 40 SMA is going down & Point 3 < a swing low (Point 1) & LH5 > Point 1.
- B) The number of bars between Points 1 and 3 cannot exceed 20 bars.
- C) 5 EMA turns up a minimum of 1 pip after going down at least 1 bar (last bar ignoring flat EMA bars).
- D) ADX5 > 25

Bullish Counter Trend Entry Rules

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

Buy at the market immediately after the setup bar closes

Bullish Counter Trend Initial Stop

Sell at Point3 Low-2 Pips Stop

Bullish Counter Trend Follow Up Stop1

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)

Bullish Counter Trend Follow Up Stop 2

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

Sell at the Entry Price Stop

Exit Strategy

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 ½ 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).

Exit Strategy

We will follow this strategy for 2 reasons:

- 1) we take a portion of our position off the table at a nice quick profit.
- 2) Since we already have a profit and we have the remaining 1/2 position protected with breakeven or better stop, we can let the remaining 1/2 position run to the second profit target.
 - That way we have the best of both worlds, capturing a profit in a short swing move and a greater profit in a longer swing move.

Profit Target 1 exit:

Sell 1/2 position at Entry Price + 1 ATR20 Limit

1) When profit target is hit, change the stop on the remaining ½ position to previous bar low - 2 pips stop if greater than breakeven.

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

Sell remaining ½ position at previous barlow-2pipsStop

Profit Target 2 exit:

Sell remaining 1/2 position at Entry Price + 2 ATR20 Limit