

## Advanced SPIO Trading system,

**By Nasrudin, +6582018224, SMS before calling.**

**Master this, and nothing can stop you.**

This is not a set and forget strategy, the market is not a mechanical structure or place. We must adjust ourselves accordingly, and watch the market and manage our trades as it progresses.

This strategy is also an organic strategy, we're looking at momentum, Fibonacci, price action and specific patterns in the market. The market doesn't behave to some kind of mathematical formula, it is made out by people, you and me, organic beings who control it with psychology and emotions, and thus needs to be understood through the right brain, not the left brain.

System indicators

62 EMA high, low Close

162 EMA high low close

[In the same window]

CCI 21,25,30,35,40,45,50

Each CCI has min -350 max 350

CCI 21- 35 – Coloured Green

40 – 50 Coloured Red

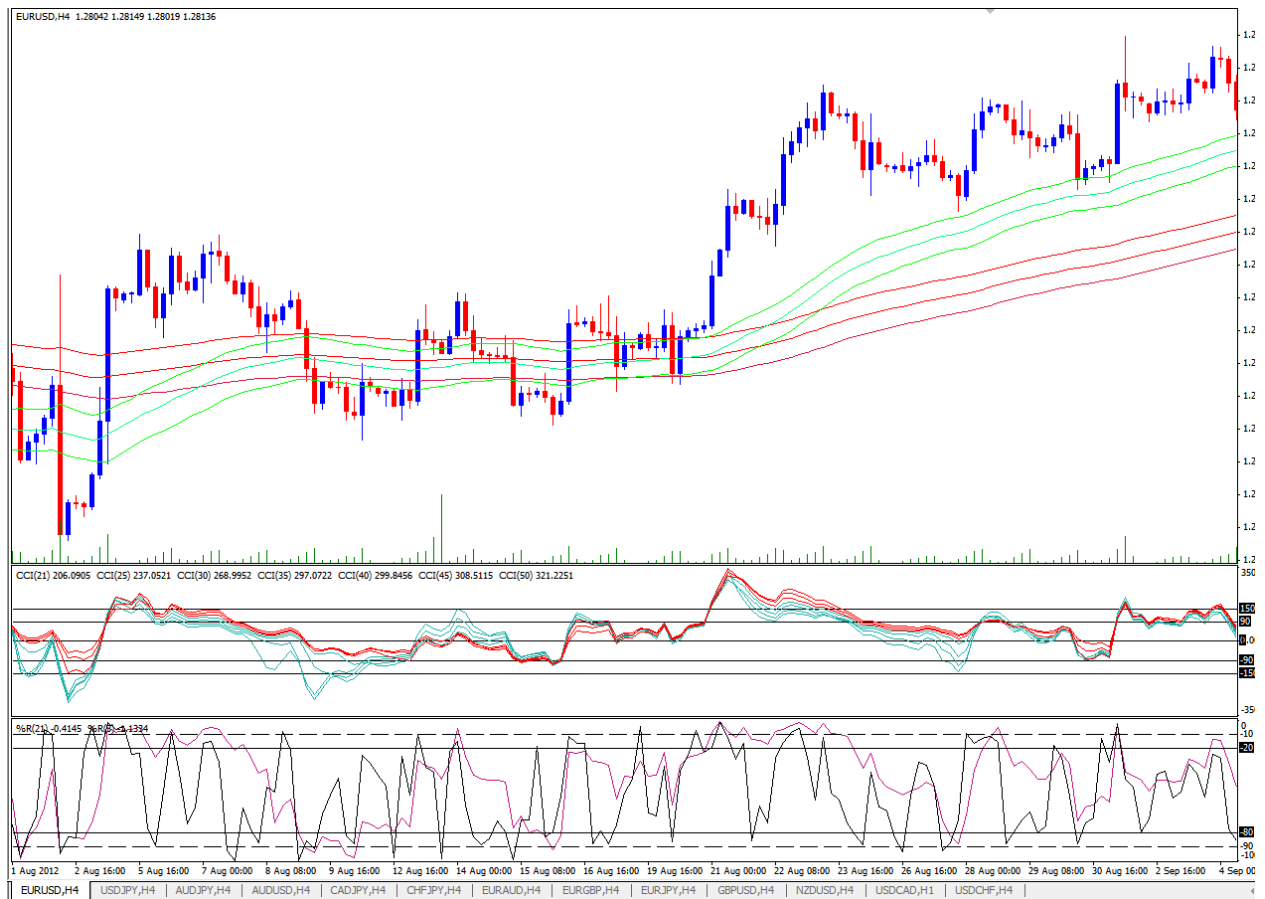
Levels -90, -150, 90, 150, 0 on CCI 21

WPR 3, WPR 21, in the same window

Levels -10 and -90 and -20 -80

Chart volumes

rojectspio.tpl



It may look messy, but it is actually quite easy if you know how to interpret it.

Markets that I trade this strategy on.

EUR/USD		1.2600 <sup>6</sup> / 01 <sup>8</sup>	1.2
USD/JPY		78.39 <sup>5</sup> / 40 <sup>5</sup>	1
AUD/JPY		79.87 <sup>6</sup> / 89 <sup>6</sup>	2
AUD/USD		1.0188 <sup>9</sup> / 90 <sup>5</sup>	1.6
CAD/JPY		79.14 <sup>9</sup> / 16 <sup>6</sup>	1.7
CHF/JPY		82.03 <sup>6</sup> / 05 <sup>3</sup>	1.7
EUR/AUD		1.2365 <sup>9</sup> / 68 <sup>3</sup>	2.4
EUR/GBP		0.7921 <sup>5</sup> / 22 <sup>8</sup>	1.3
EUR/JPY		98.78 <sup>3</sup> / 80 <sup>2</sup>	1.9
GBP/USD		1.5905 <sup>3</sup> / 07 <sup>4</sup>	2.1
NZD/USD	↑	0.7946 <sup>1</sup> / 48 <sup>4</sup>	2.3
USD/CAD		0.9903 <sup>1</sup> / 04 <sup>7</sup>	1.6
USD/CHF		0.9555 <sup>0</sup> / 56 <sup>6</sup>	1.6

### [CRITERIAS]

Risk:Reward ratio must be at least 1:2.9~ or we don't take the trade.

Check the market condition( trending, consolidating, ranging)

## Identifying the market condition

### [Market trending]

We say that the market is trending when the EMA channels, 162 and 62 EMAs are diverging from each other, where they are apart from each other and not converging, price is also either below or above **both** the EMA channels.



### **[Market ranging]**

A market can be identified as ranging when, the 62 and 162 EMA channels collide,

Converge, combine, or are next to each other on the H4 or H1 chart.

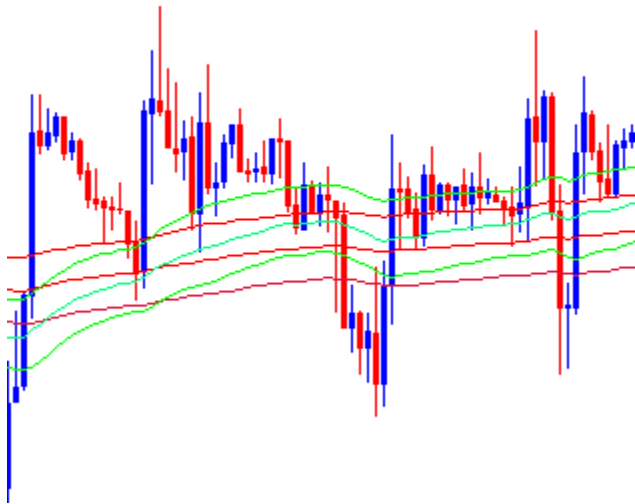
WHEN this happens, we no longer have to bother about the CCI, nor getting support from

EMAS . Means we can take both bull and bear signals, if the R:R allows us to.

Price has a tendency to have false breakouts and will usually reverse back into the EMA

if it breaks out of the channel.

In [market ranging] condition, the TP is also different as compared to market trending condition



### [Detecting whether the ranging condition has ended]

Range condition would end if the market EXPLODES OUT and is now far away from the

channel (common sense) if you still need some kind of gauge. Use Channel high -Channel

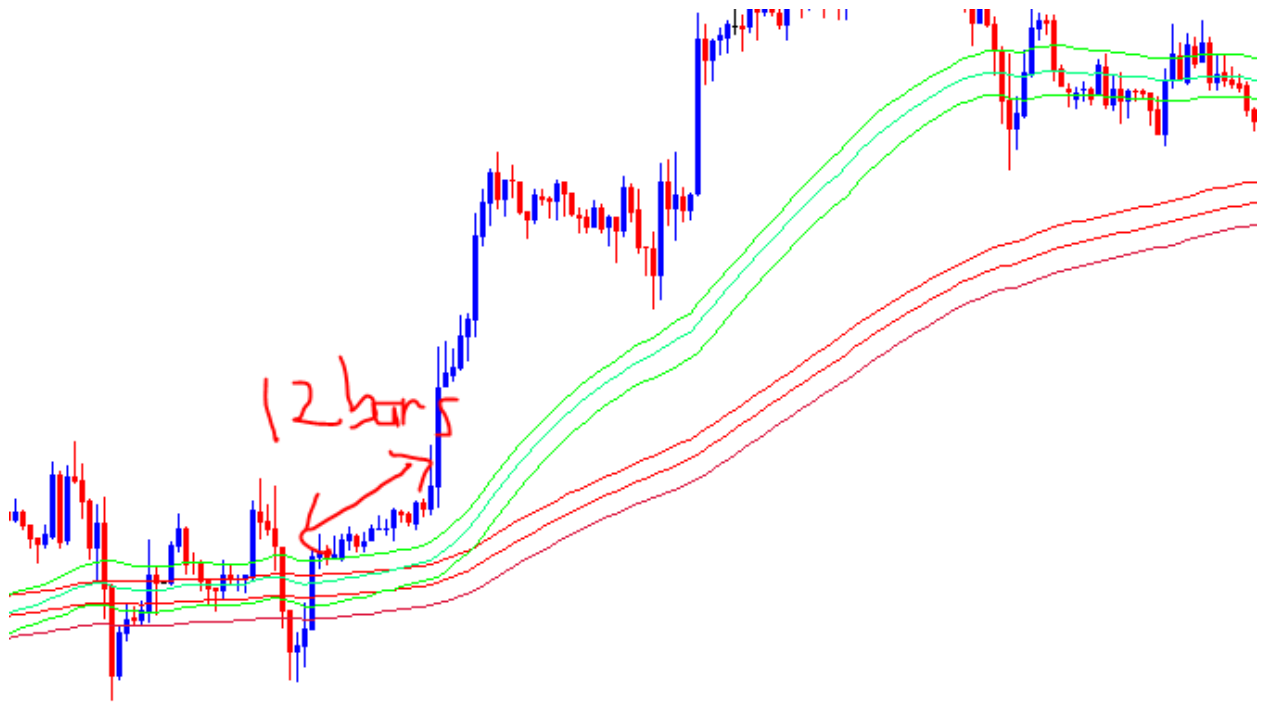
low \*3. And if price exceeds that, then its likely to have broken out and is now

ranging.

OR - when price has been outside the EMA channel for at least 12 bars.



Explosion



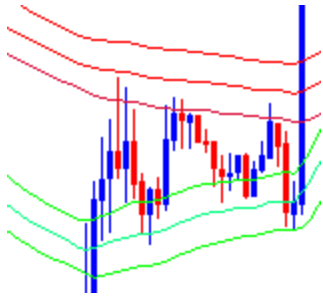
12 bars

### **[MARKET CONSOLIDATING]**

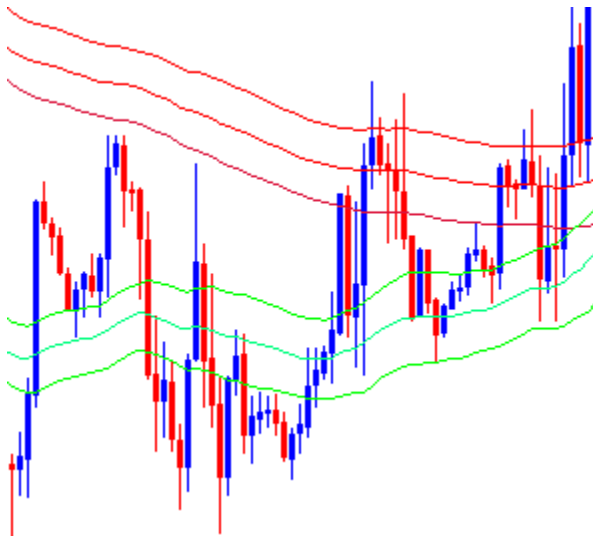
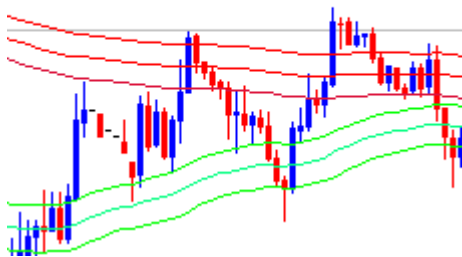
Market is consolidating when there is a space in between the 62 and 162 EMA channels and that price is in between the 62 and 162 EMA channels. The price will usually bounce up and down, back and forth in between the channels.

In this market condition, we have to look at our CCI, if green is more over sold than the red, we can only take BUY signals. The CCI is checked on both H1 and H4. So if H1 says buy CCI but H4 says sell CCI, then we can do both.

If green is more overbought than the red, we can only take SELL signals



Consolidating



## [ How to trade in a trending market ]

Identify whether it is a trending market.

Look at WPR

[Negating signals, aka filtering bad signals]



Here, we look at the WPRs

If both the 3 and 21 WPR is above or at the -10 level, we **CANNOT** take **ANY** bullish trades

If both the 3 and 21 WPR is below or at the -90 level, we **CANNOT** take **ANY** bearish trades

**If there is no problem, proceed.**

If EMAs above the body of the current 4hr/1hr candle, then it is a downtrend and we can only take sell signals unless there is a CCI pattern ( will be explained below)

Conversely, if the EMAs are below the body of the candle, then it is uptrend and we can only take buy signals unless there is a CCI pattern

Then, proceed to next step:

**[PRICE ACTION TO GET TRADES] OUR TRIGGER**

Wait for 4hr close.

See whether its bullish or bearish.

In the case of bull,

Let's say the candle close time is at 0800gmt ( New candle is now opened at 1200gmt)

Go to 1hr chart, look at 1200 - 1 hour = 1100gmt

If candle is also bull.

Look at 30 min chart, look at 1200 - 30minutes = 1130gmt

If candle is also bull.

Look at 15min chart, look at 1200 - 15minutes = 1145gmt

If candle is bull.

You now have a valid price action signal, waiting to be traded for a bull market

For bearish signal.

Just look for all bearish candles, instead of all bullish candles.

**[Inverse candlesticks]**

***Just because its blue, doesn't mean it's a bullish signal.***

***Just because its red, doesn't means it's a bearish signal.***

*Look for candles which has wicks larger than its body or particularly small candle bodies after a large move. E.g Doji candles, spinning tops, Almost-pin bars.*

Next, look at the volumes, if the volume of this candle is about the same or actually larger than the previous candles before it, BUT the body of this candle is smaller (much smaller) than the previous 1-3 candles' bodies:

If current candle is higher than previous candles, the signal is bearish.

If current candle is lower than previous candles, the signal is bullish.

**If this is not the case, see next step.**

**In the case of doji/candles mentioned above but the volumes are normal.**

If it's a doji/Almost-pin bar, we have to look at the CCI, if green is more oversold than the red, then it's a bullish signal

If the green is move overbought than the red, then it's a bearish signal

If it's a spinning top and its bullish/ just treat it as a bullish bar, if its bearish, then treat it as a bearish bar

What to do if you got a signal but its against the trend

**[Look at CCI if signal has no support from EMA]**

For buying, green CCI must be more oversold than the red

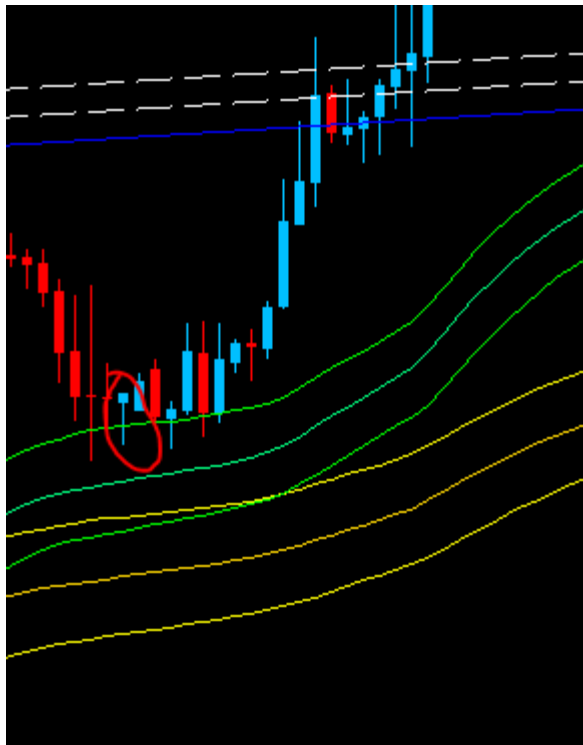
For selling, green CCI must be more overbought than the red

Then look for divergence or hidden divergence in the multi CCI

OR CCI compressing 90-150 area for sell. -90 to -150 for buy

**[A method of saving time to detect the candles]**

**[Easy way of doing this, SAVES A LOT OF TIME]**



*GBPUSD H4 chart*

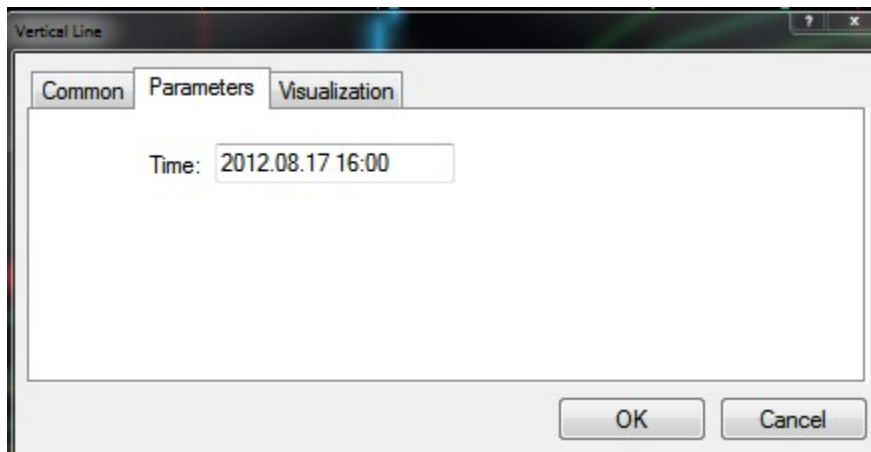
**Possible set-up in red circled**

*Imagine that we do not know the outcome of this trade*



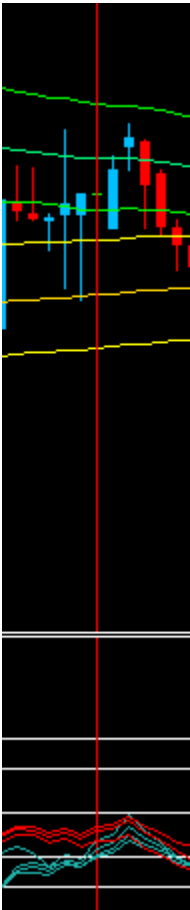
*Vertical line drawn*

*Double-click, Right-click, properties.*

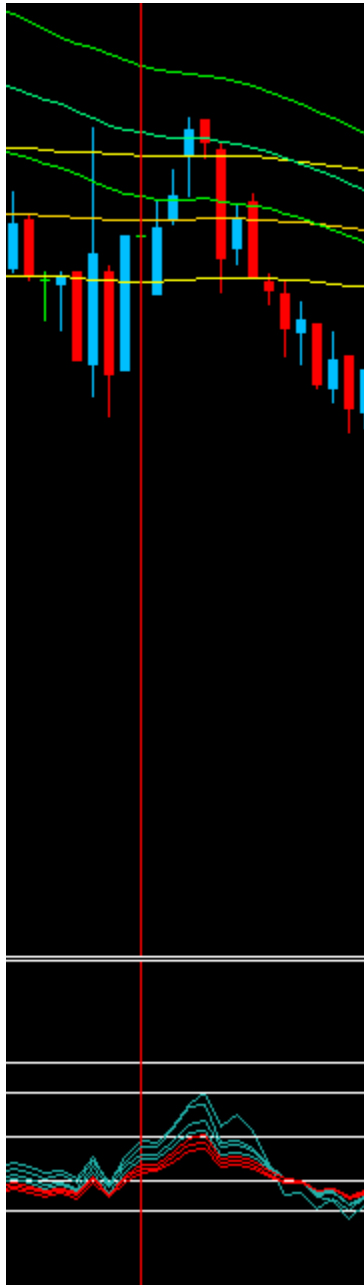


*Add 3 hours and 45 minutes, so its 19:45*

*Hit OK*



*H1 chart, Doji. When doji appears, we have to look at the market bias, is green more oversold than the red, or red more oversold than the green in the CCI? In this case, market is bullish, now to check with M30 and M15..*



*M30 chart, another doji candle, but the market momentum is not on our side(CCI is bearish) , so we cannot take this trade. Wait for 2<sup>nd</sup> entry later on.*

Now, Isn't that a fast way of looking for setups? The vertical line method.

### **[STOP LOSS]**

Stop loss level is 3 pips below the low of the 1hr candle for buy

Stop loss is 3 pips above the high of the 1hr candle for sell

### **[ENTRY]**

3 pips above the high of the 1hr candle for buy

3 pips below the low of the 1hr candle for sell

### **[ADVANCED ENTRY]**

**Usually this method is only used when we have any divergence at the CCI against us, we have support from EMAs, but we're trading against divergence, so in this case, we have to use the advance entry method**

**DO NOT DO THIS IF IT IS A PROTRUDING PIN BAR CANDLESTICK/OHLC BAR, it is likely that you will miss the trade instead. This technique is only for candles which are like dbhlc, tlhc, inside bar, outside bar, or pin bars which are not protruding.**

Advanced entry is a method of getting a better R:R, a better stop loss position, a better entry position.

However do note, that there is a possibility of missing break-outs( **Cons** )

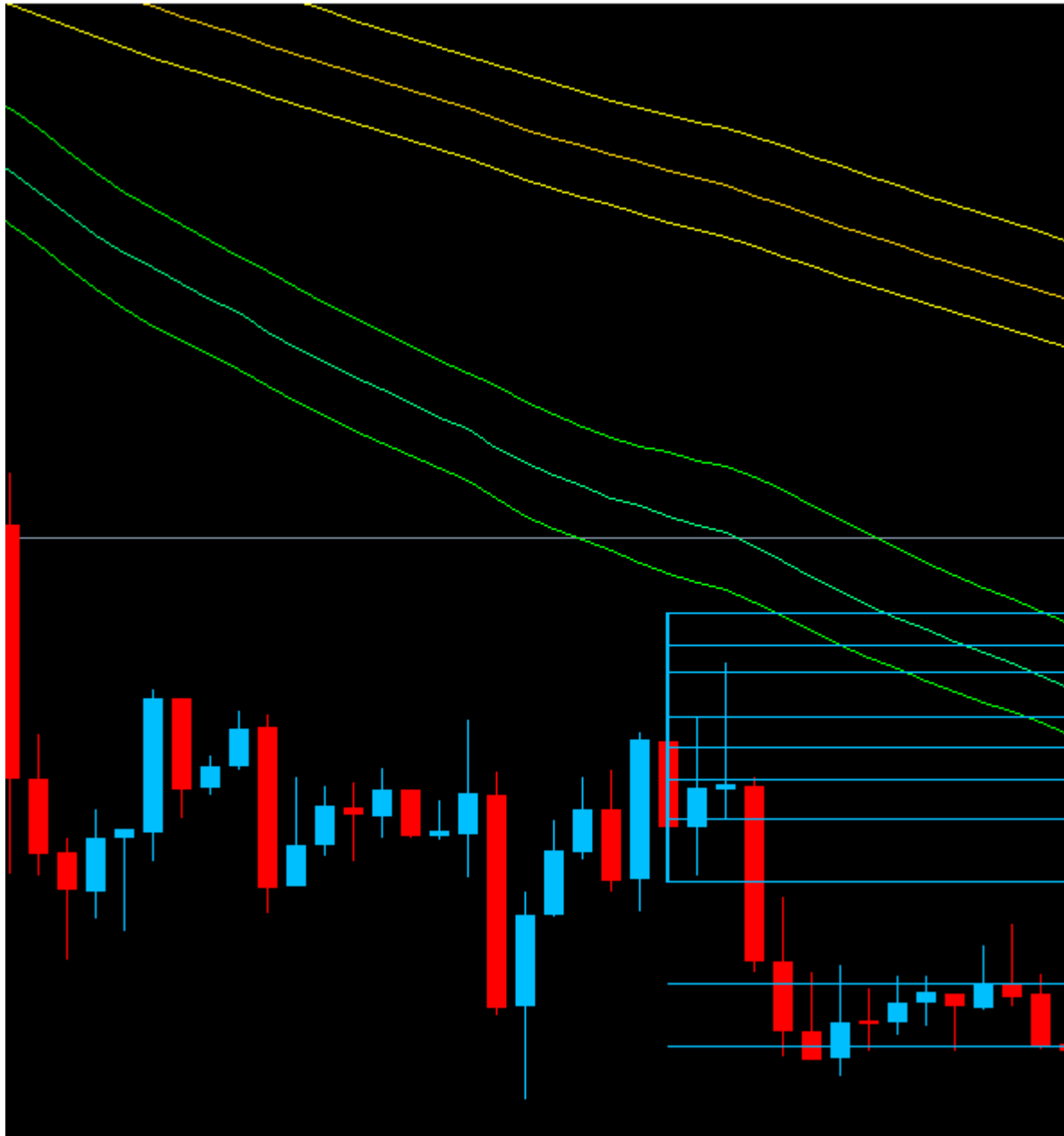
However, we do not have to experience the possibility of being in the red, because price usually goes against us before finally going into profits, so why not use this knowledge and just enter in places where we know price will go against us first before finally going in our direction( **Waiting for retracements**) So not only do we have a better entry level, we can have a better R:R.

Instead of taking a buy stop, we actually draw a fib retracement at the 1hr candles.

Entry at the fib 50 level or 61.8 level,

Now, there are 2 ways to draw the candle, it is depending on the situation, if the candle appears at dips, e.g, bull bull, bull, bull, **BEAR ( in this case we got a short trade)**

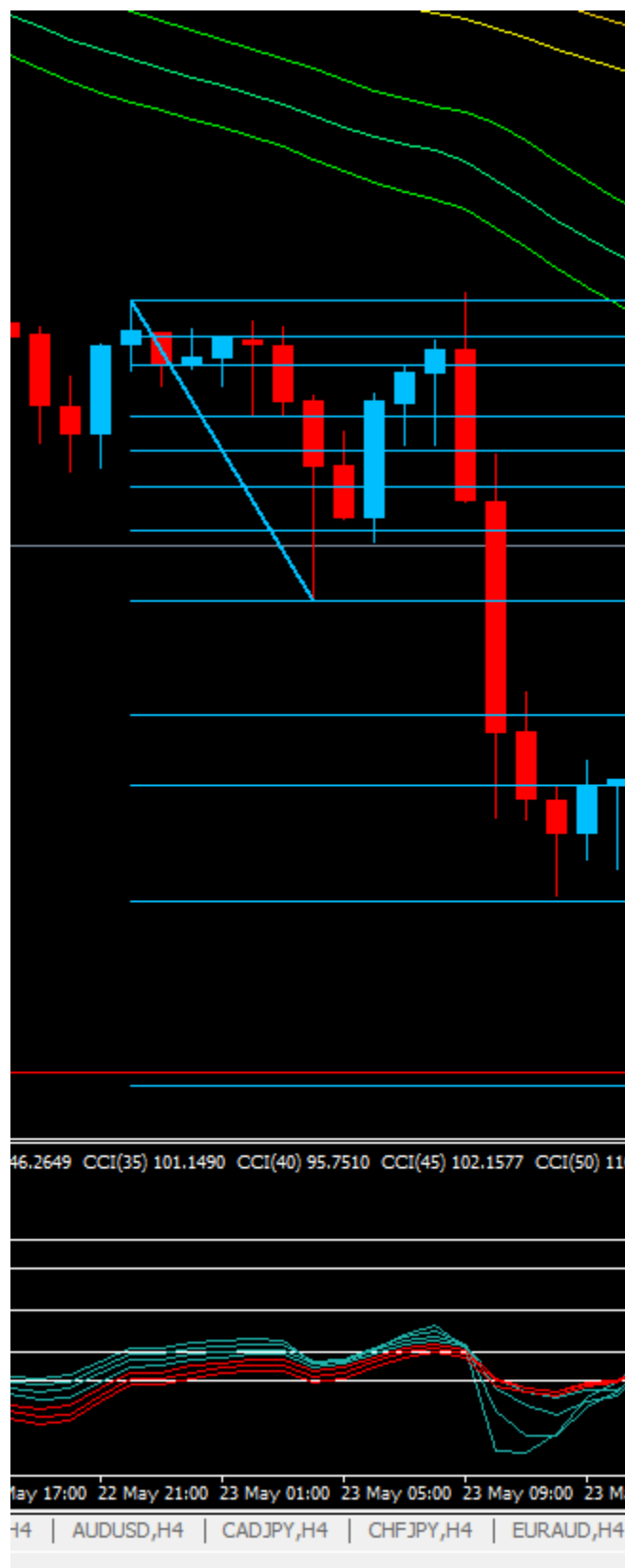




The fib is drawn at the candle itself. Entry at the 50 location. Or 61.8, depending on you. You may set a sell limit at 50 level and just go to sleep, or that you can zoom into the 5min charts and wait for the perfect entry at 61.8 or 50 level, so that you can know whether the market is actually reversing off the 50 or 61.8 level.

But I am too lazy to do that, so I'll usually just set a sell limit at the 50 retracement level, set the SL, and TP, then come back after 4 hours.**[Condition 2]**

If the signal candle appears not at dips but at preceeding moves, e.g BEAR BEAR BEAR **BEAR** We need to draw the fib retracement at the impulsive wave instead. Pics below,



Now think, why would we want to enter so late? Its best to enter on fib. See how we could have gotten stopped out and loss a lot of money? Its always good to check for divergence and see whether you can just take the basic entry, or the advanced entry ☺ The divergence was on the H1 chart, so we drew fibs on the H1 chart.

Now again, the advanced method is only used in cases where we have divergence against our direction in the CCI in either the H1 or H4 chart

### **[Advanced Stop loss]**

**If we used the first method of the advanced entry, stop loss is at 88.5 level**

**However, if we're using the 2<sup>nd</sup> method of advanced entry, stop loss is at the 100<sup>th</sup> level +3 pips**

### **\*\*TAKE PROFIT\*\***

**[when market is not in ranging condition] [ To see ranging condition, read on below]**

Draw a fib retracement, on the previous opposite wave, on the 1hr chart.

What I meant by this is that, if the entry was to buy, so you look for a bearish wave before the signal, could be an impulse wave or a corrective wave.

It is drawn from **right to left**.

Low to high for buy

High to low to sell.

If the wave has retracements, for example, there is a mix of blue bars in red bars, in a down wave.

The TP is set at 261.8



The wave measured has retracements in between it, we take the 261.8

However, if there is no retracements in between and it was a smooth move up/down, we take the 200 level.





The wave possesses a retrace. Therefore it is 261.8

### [Managing trades]

#### “Locking in your Profits”

Set trade to breakeven after being in profit by [Range of h1 candle, high to low]

E.g Range of H1 candle => high – low = 30 pips, thus Breakeven after 30 pips.

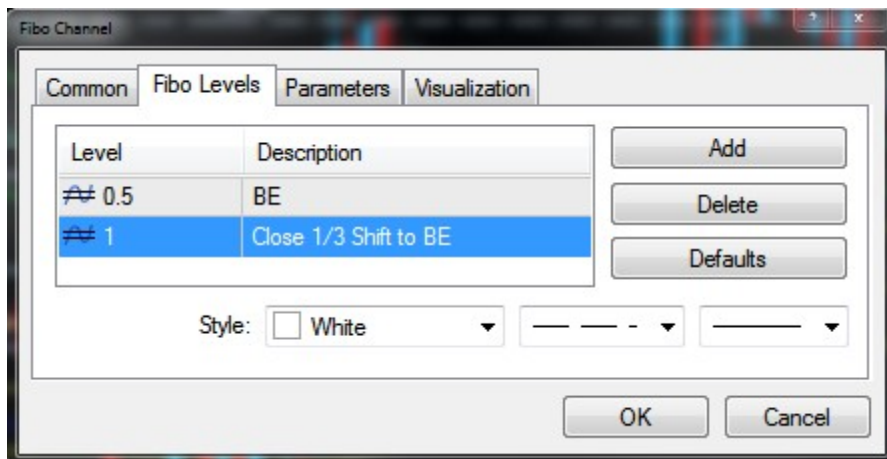
My method of breakeven is a bit different than typical methods

Once price has reached in profits of (High-Low of triggering candle in pips) Close 1/3 of the opened position. The remaining 2/3 of the position, Shift SL to (High-low of triggering candle in pips /2)

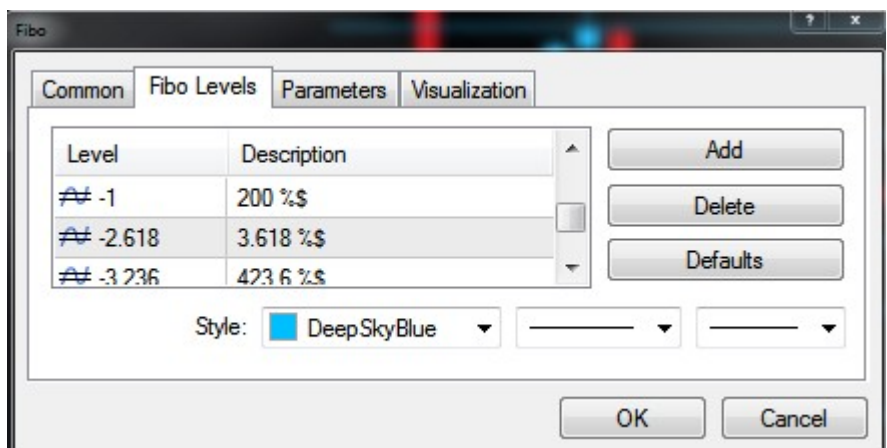
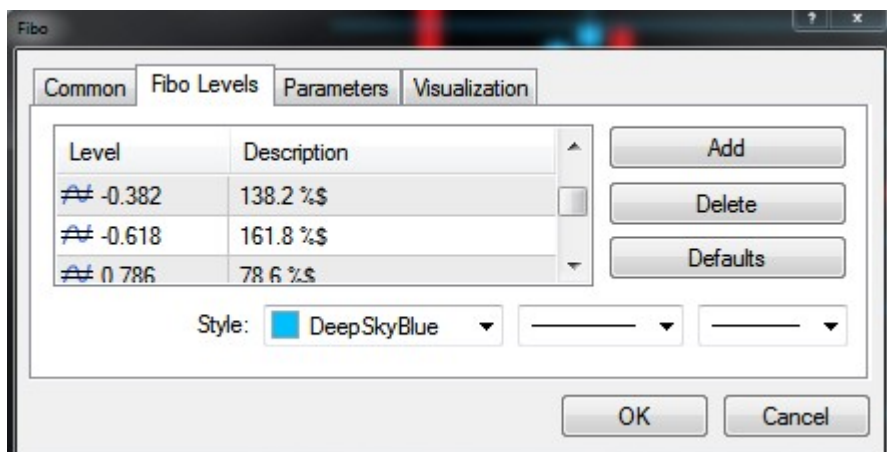
So it’s not really a breakeven as even if price were to reverse back, we would get some money out of the trade.

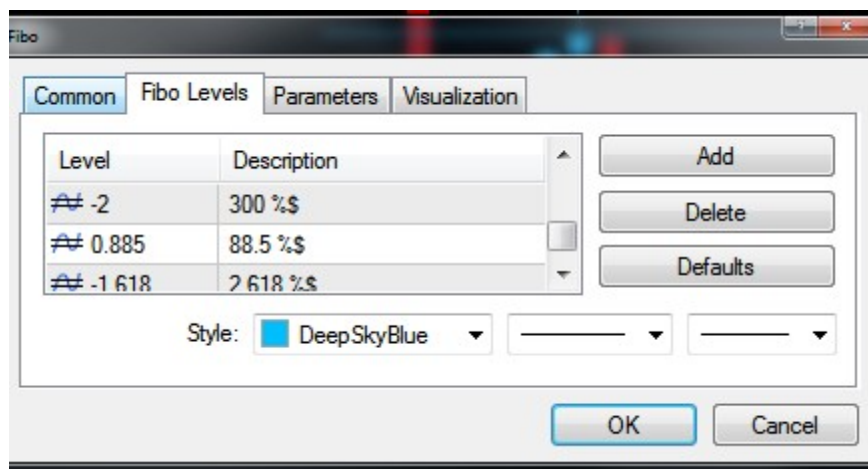
#### “How to do this”

Use a tool called *Fibo Channel on the 1hr chart*

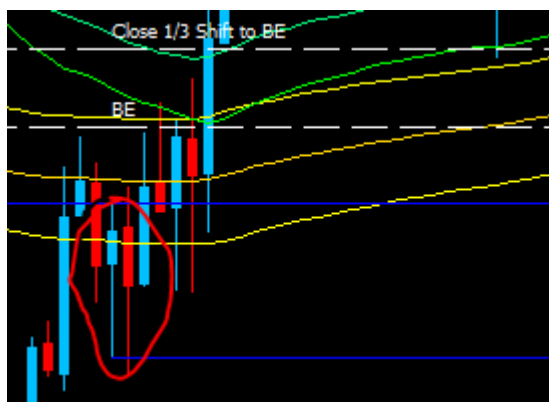


*Settings of Fibonacci retracement for future use is also here*





Settings are right here



Circled in red is the entry candle, note that the bear candle after it did not stop us out, we have an sl of 3 pips below the low. It is a valid entry, it has support from EMAs if seen at 4hr chart.

Draw the Fib channel as such, High to low, this is an easy way to calculate "High-Low" of candle

As soon as price hits "High-Low of triggering candle" which is drawn for us saying "Close 1/3 Shift to BE"

We will close 1/3 of the position and shift the remaining 2/3 position's SL to "High-low of triggering candle /2" which is drawn as a line which says BE.

**How to partial close?** When in doubt, use google. I'm too lazy to explain beginner stuff here.

If your broker doesn't support partial closing, then you will have to divide your position into 3 before opening it. Then close 1 position after hitting "Close 1/3 shift to BE" and shift the remaining 2 position's SL to "BE" line.



## Trailing your trades

*Trailing is the best way to get the most money out of the market, so remember to adjust the TP and SL accordingly to this method*

After having set your TP based on the previous wave.

Try and draw the fib retracements during the trade itself.

This means that if corrective waves form during your trade, you would have to draw the fib retracements at them too.

The purpose is to see whether the market has changed its mind about the TP level, sometimes it reupdates them and puts them out at a further position. Therefore you would have to adjust your TP accordingly and set it at that further position (**Maximizing your gains**)

***[Only adjust the TP and only start trailing] If not, then stay with the original TP.***

*When you see that the corrective wave emits a 200 level which is beyond your original TP.*

*If the wave does have a 200 level, beyond your original TP, then you modify your TP to the new wave's 261.8 ( If it has retracement) or 200 ( If there is no retracement in the corrective wave).*

Meanwhile, the original TP, would be a level where once touched, you would shift your SL to 1 fib level above it. E.G if the original TP level was 200 level, you would shift the SL to 161.8 level once the market touched the 200 level. If it was 261.8, you would shift the SL to 200 level once the market touched the 261.8 level.

Keep doing this until the market "Profits you out"

## [ How to trade when the market is in Ranging condition ]

Could be in 1hr chart or 4hr chart

### Fakey setup

This setup is where price tries to fake out the EMA channels, however fails and goes back inside it.

#### [Buy]

Look for price closing outside and above the EMA channels and within 5 bars, we have 3 and 21 WPR occupying the -80 level. The 3 and 21 WPR then proceeds to exit outside the oversold region and forms a V shape, the 3 has to be higher or equal to 21. All of this must happen within 5 bars after price has exiting the EMA Channel, **No More** than 5 bars.

#### [Sell]

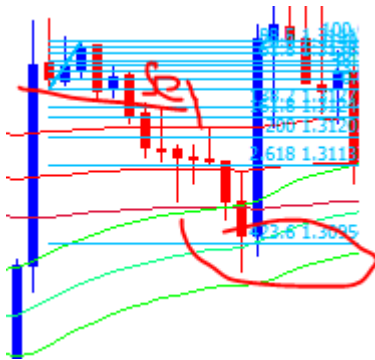
Look for price closing outside and below the EMA channels and within 5 bars, we have 3 and 21 WPR occupying the -20 level. The 3 and 21 WPR then proceeds to exit outside the overbought region and forms a  $\wedge$  shape, the 3 has to be lower or equal to 21. All of this must happen within 5 bars after price has exiting the EMA Channel, **No More** than 5 bars.

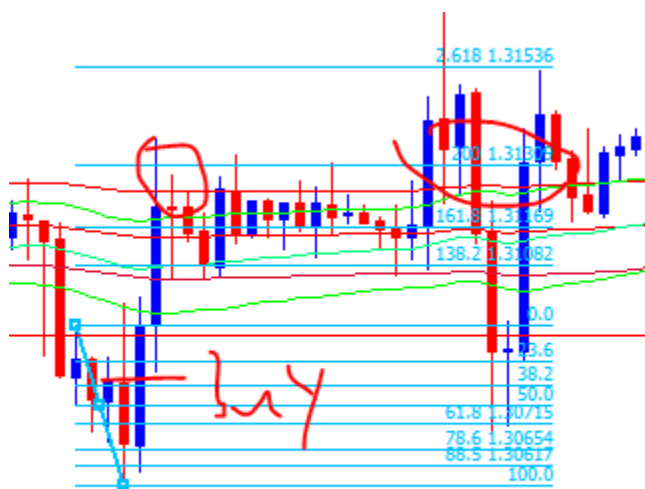
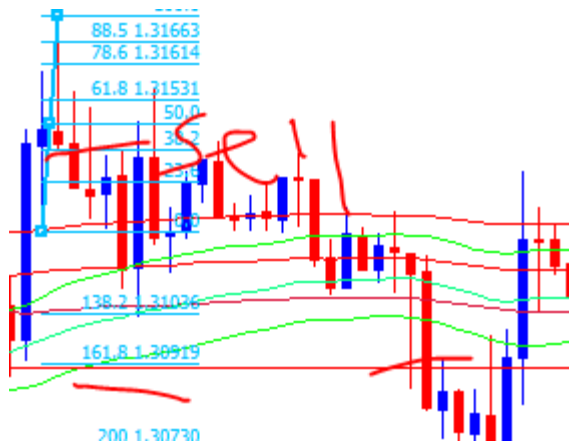


5 Bars rules is important



[Entry]





By now, you should understand what I mean

### [Stop loss]

Stop loss is quite loose.

When buying, stop loss = low of candle - range of candle in pips.

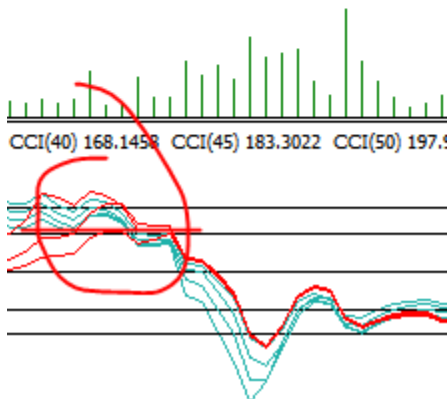
When selling, stop loss = high of candle + range of candle in pips.

How to trade when the market is consolidating

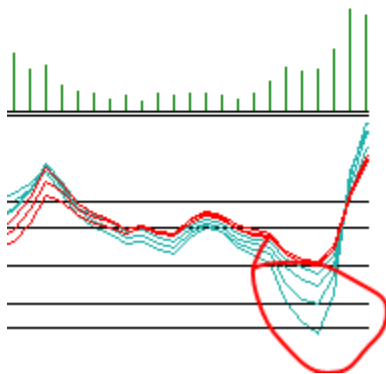
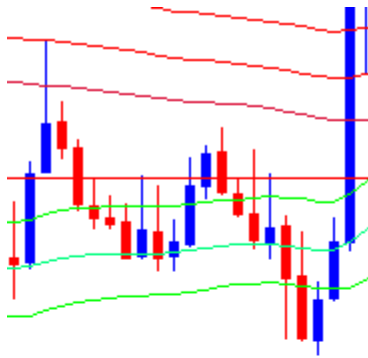
## Look at CCI

If green is more overbought than the red, we can only take sell signals

If green is more oversold than the red, we can only take buy signals



Can only sell



We can only buy

Okay, so now we know what direction to enter, what about when and where?

### [Where]

Pick only trades where the candles are being repelled from the EMA channels, imagine that they are rubber bands, price bounces off them, after touching them

However, if price managed to pierce through the EMA channels, use the strategy mentioned in the ranging section, which is looking for convergence and V or /\ shapes in the extreme levels in the WPR indicators.

### [Entry]

Use the candlestick signal method mentioned in trending section



**[Stop loss and take profit?]**

Same as mentioned in trending section

LASTLY

**[IMPORTANT OR ELSE YOU WILL NOT BE PROFITABLE IN THE LONG TERM]**

Check whether Risk:Reward ratio is at least 1:2.9.

If bad R:R, don't take the trade.

**Criteria has to be met in both H1 and H4 timeframe.**

If all is well.

You can make trade

Remember to risk only maximum 3% of your account per trade and to only follow the system. Don't make revenge trades, and only trade through system rules.

GOOD LUCK