

Hi,

I want to share a system that I am using in during the past week with very good results. I am trading in Demo accounts for at least 1 year, testing some systems, although I have previous experience in forex. But now I am planning to move to a live account if this system proves reliable enough. And the best way to test it is to have other contributors in order to improve it!

In can consider myself more a price action kind of trading (mainly support and resistance; also fib retracements) and not using any indicators since they tend to have "inertia" or lag.

In a conversation with a friend trader (more experienced in futures) I was told that he bases much of his decisions on MACD, which for him is the best indicator. My decision was to give it a try on the confirmation side, because my first part of decision making when entering a trade should be based on my principles of S/R zones. As a second step, I would use that indicator.

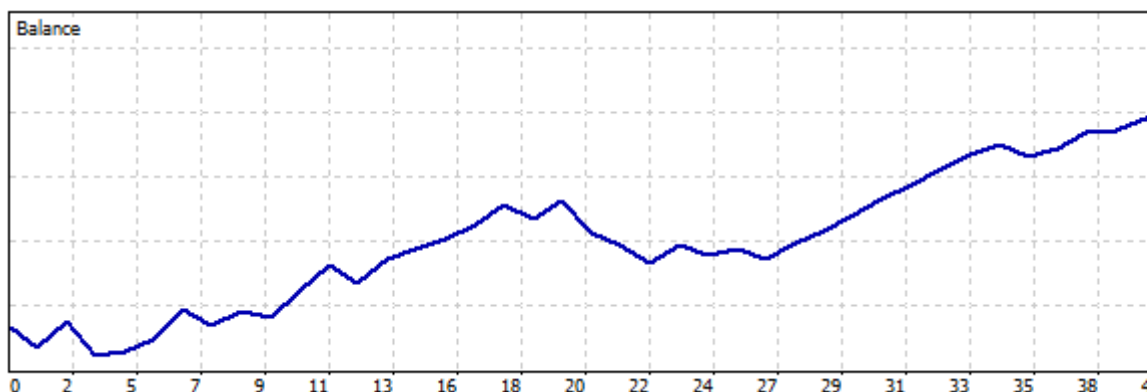
Another issue to add is timeframe; I continue to be committed to use 1H (he uses volume based bars on his system ...). The system also has a good risk/reward ratio (min is 1:1.5)

So, last week I put into practice this strategy with the following results (traded live in a demo account):

**Summary:**

<b>Deposit/Withdrawal:</b>	<b>0.00</b>	<b>Credit Facility:</b>	<b>0.00</b>		
<b>Closed Trade P/L:</b>	<b>127.15</b>	<b>Floating P/L:</b>	<b>-1.45</b>	<b>Margin:</b>	<b>51.91</b>
<b>Balance:</b>	<b>1 081.81</b>	<b>Equity:</b>	<b>1 080.36</b>	<b>Free Margin:</b>	<b>1 028.45</b>

**Details:**



<b>Gross Profit:</b>	<b>248.88</b>	<b>Gross Loss:</b>	<b>121.73</b>	<b>Total Net Profit:</b>	<b>127.15</b>
<b>Profit Factor:</b>	<b>2.04</b>	<b>Expected Payoff:</b>	<b>2.40</b>		
<b>Absolute Drawdown:</b>	<b>12.40</b>	<b>Maximal Drawdown:</b>	<b>27.90 (2.76%)</b>	<b>Relative Drawdown:</b>	<b>2.76% (27.90)</b>
<b>Total Trades:</b>	<b>53</b>	<b>Short Positions (won %):</b>	<b>28 (75.00%)</b>	<b>Long Positions (won %):</b>	<b>25 (60.00%)</b>
		<b>Profit Trades (% of total):</b>	<b>36 (67.92%)</b>	<b>Loss trades (% of total):</b>	<b>17 (32.08%)</b>
<b>Largest</b>	<b>profit trade:</b>	<b>12.94</b>	<b>loss trade:</b>	<b>-15.59</b>	
<b>Average</b>	<b>profit trade:</b>	<b>6.91</b>	<b>loss trade:</b>	<b>-7.16</b>	
<b>Maximum</b>	<b>consecutive wins (\$):</b>	<b>8 (51.93)</b>	<b>consecutive losses (\$):</b>	<b>4 (-26.85)</b>	
<b>Maximal</b>	<b>consecutive profit (count):</b>	<b>51.93 (8)</b>	<b>consecutive loss (count):</b>	<b>-27.90 (3)</b>	
<b>Average</b>	<b>consecutive wins:</b>	<b>3</b>	<b>consecutive losses:</b>	<b>1</b>	

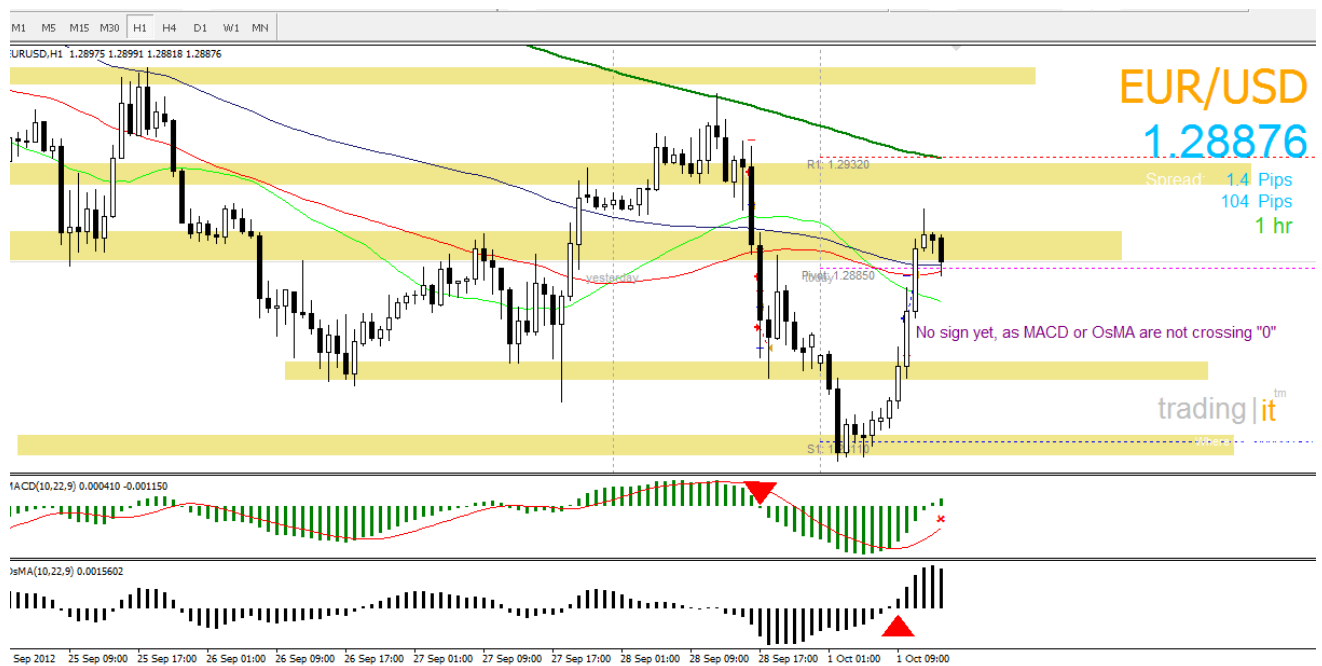
How the system works:

Indicators used:

MACD and OsMA with standard inputs (10,22,9) (Note: OsMA is almost the same as MACD – turns more visual the signal line crossing the histogram).

There are MA lines but I am not using them in this system.

Also, I pay attention to daily pivot, R1, R2, S1 and S2 (drawn in the graph).



1<sup>st</sup> Step: Identify key areas of Sup/Res (in light brown painting in the graph below)

Entering a trade:

**Long:** price is approaching (or is in) a Support area and OsMA turns positive, i.e., cross 0 line from below (or MACD turns positive).

**Short:** price is approaching (or is in) a Resistance area and OsMA turns negative, i.e., cross 0 line from above. (or MACD turns negative).

On each trade, I look for a SL 10-15 pips (outside support area) and PT of 20-25 pips.

On the graph there are 2 trades closed and a third appearing on the short side! I am waiting to short but only after MACD or OsMA cross to negative territory! So, I keep waiting. If the prices goes up, I will not trade!

Money Management:

I tend to use 2 multiple lots in order to close half position when it reaches (10 or 15 pips) and move the SL to price entered and TP more 10 or 15 pips. This is valid if there's no Resistance/Support area nearby. If so, I close both lots and finish!

I hope the strategy is clear to all. If you have doubts I am here to answer and I expect from you improvements, suggestions.

Regards