

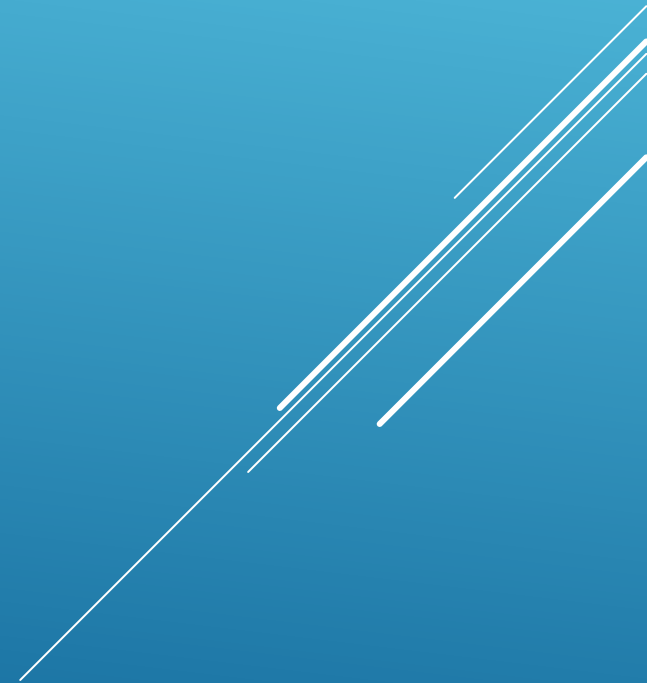
FOREX STUDY MATERIAL

HOW TO TRADE H1 USING H4 FOR ANALYZ
MARKET TRENDS \ DIRECTION

NB: The following market approach has been proven to be more accurate on the following pairs.....

- ✓ GBP USD
- ✓ GBP JPY
- ✓ GBP CHF
- ✓ GBP NZD
- ✓ GBP CAD
- ✓ GBP AUD
- ✓ EUR GBP

NB: EUR GBP.....BUT THS PAIR MISS BEHAVE MOST OF TIME TRADE IT WITH CAUTION!!!!!!!

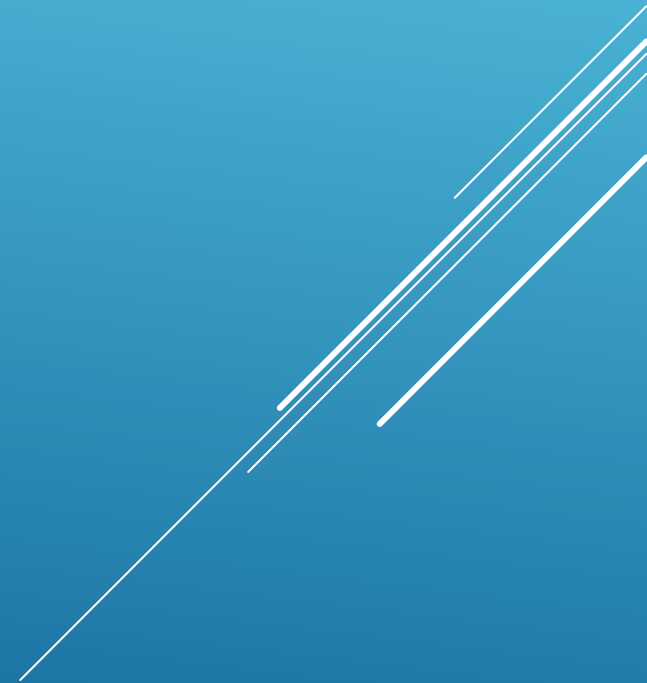


- Please note that **4hours** and **1hour** are the time frame to focus on through out.
- 1hour time frame will be used to make entries and 4hours time frame will be used to analyze the market trend \ direction.

ALWAYS REMEMBER THAT

- ▶ Before you can place a trade for buy or sell on H1 (1 hour) time frame always do your analyses on H4 (4 hours) to see if you are buying or selling
- ▶ If the price or candles are below the ichimoku cloud on H4 (4 hours) then your focus must be on sell.
- ▶ If the price \ candles are above the ichimoku cloud on H4 (4 hours) then your focus must be on buy.
- ▶ Before you make an entry on H1 (1 hour) after analyzing H4 (4 hours) make sure the information is the same as the one on H4 for a sell or buy

ALWAYS REMEMBER THAT



▶ THE FOLLOWING ARE THE PICTURES OF THE PRVIOUS EXPLANATION (4HOURS)





ICHIMOKU CLOUD



PRICE/CANDLES BELOW ICHIMOKU CLOUD

MARKERT BEHAVIOUR

- ▶ The market is having the minimum of 3 -4 days to move in a certain direction under normal market condition on H1 before it can make a short \complete reversal.
- ▶ This means it must be give the minimum of 3-4 days before you can re-analyses and make another entry after your first one via H1.
- ▶ Sometime it can be up 5 days before it can make a short \complete reversal do not be surprised.

ALWAYS REMEMBER THAT

MOVING AVERAGES PRIOR AN ENTRY

- ▶ On H4 your 3AM and 12AM (Moving averages) must face up with 3AM above 12AM in order for to focus on buy trend.
- ▶ Your 3AM and 12AM (moving averages) must face down 3AM below 12AM in order for you to focus on sell trend
- ▶ On H1 before making an entry you must find the some thing as H4 on moving averages for both buy and sell.
- ▶ **Note:** That the different between H4 and H1 moving averages is that H4 MA confirms the trend and then H1 MA confirms an entry.
- ▶ **3MOVING AVERAGES REPRESENTED BY A YELLOW LINE.**
- ▶ **12MOVING AVERAGES REPRESENTED BY A BROWN LINE.**

ALWAYS REMEMBER THAT

H4 SELL TREND CONFIRMATION



H4 BUY TREND CONFIRMATION



- ▶ After checking your moving averages on H4 you move to H1 to make your entry.
- ▶ Remember that you must find a similar thing on H1 before you make your entry.

ALWAYS REMEMBER THAT



H1 BUY ENTRY



H1 SELL ENTRY



MARKET TREND ... CONTINUE

- ▶ Remember we mentioned that the market has minimum of 3-4days to move in a certain direction before it can make a short or complete reversal.
- ▶ You must always catch a trend from where it starts to make a good entry.
- ▶ Day 3 and day 4 are no more safe to make an entry since will be preparing for a reversal.
- ▶ It is best to wait for the market if it is making short or complete reversal before you can enter, if it happen that you are late for entries.
- ▶ **NB: Sometimes it can go as far as 5days in one direction don't be surprise.**

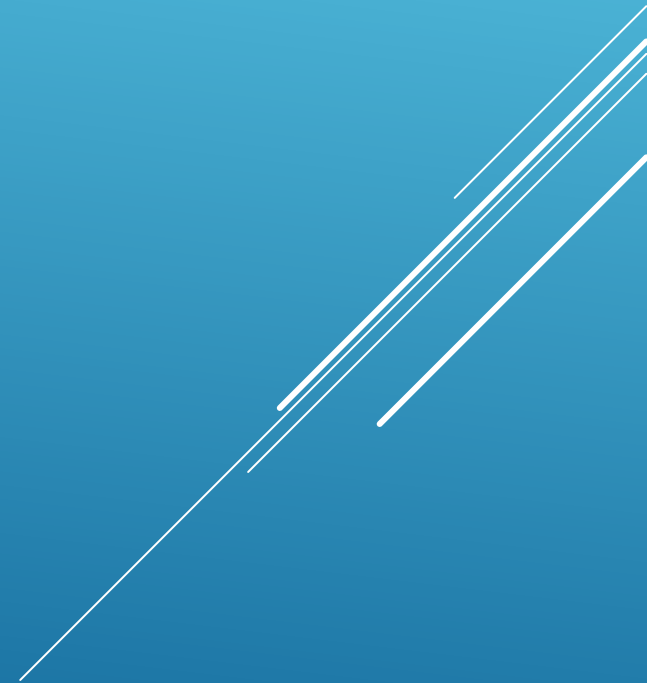
ALWAYS REMEMBER THAT

Up trend (buy 1H)



- ▶ THE PREVIOUS PICTURE SHOWS A 4-DAY UPTREND (BUY) FROM FROM 4 TO 9 OF MAY
- ▶ REMEMBER WE SAID 3-4 DAYS FOR MINIMUM FOR A TREND UP OR DOWN.

ALWAYS REMEMBER THAT



DOWN TREND (SELL H1)



TREND REVERSAL SHORT OR COMPLETE REVERSAL.

Different between short and complete reversal.

- ▶ A complete reversal is a reversal whereby the trends on H4 will change completely from a buy to a sell or sell to buy.
- ▶ A short reversal is a reversal whereby the trends on H4 will just make a little pull back then bounce back to continue in the same direction it was heading . if it was heading up it will continue if it was heading down some applies.

ALWAYS REMEMBER THAT



Complete reversal of sell

- ▶ If it was buy trend the price / candles will go below the cloud to change the direction to sell.
- ▶ Your moving averages will also signal you they will start to change the direction as well.
- ▶ They will start to face down to show that the trend is changing now.
- ▶ Your 3AM and 12AM will face down with 3AM going below your 12AM.
- ▶ After that then you know you have a complete reversal
- ▶ When you go to H1 you will / must find the something before you can make your entry.

ALWAYS REMEMBER THAT



Complete reversal of buy

- ▶ If it was sell trend the price / candles will go above the cloud to change to buy.
- ▶ Your moving averages will signal you since they will start to change direction as well.
- ▶ They will start to face up to show that the trend is changing now.
- ▶ Your 3AM and 12AM will start to facing up with your 3A going above your 12AM.
- ▶ After that then you know you have a complete reversal.
- ▶ When you go to H1 you will / must find the something before you can make an entry.

ALWAYS REMEMBER THAT



Short reversal

With short reversal things are different.

- ▶ What a market does in a short reversal is to make a little pull back / reversal on a price /candles but it does not go that far like a complete reversal and change direction for good.
- ▶ If it was buy the market will make a small change in direction pretending to create sell opportunity then bounce back and continue with sell . It bounce on the cloud and continue going down. **This is where lots of traders are trapped in the opposite direction.**
- ▶ At the some stage they can pierce the cloud and spike below /above it before they can go back up or down be care full of that allow the market to show you a complete reversal.
- ▶ **NB: EVEN IF IT CAN GO BELOW THE CLOUD ON H1 AS LONG AS IT IS NOT THE SOME THING ON H1 THEN THAT IS NOT A COMPLETE REVERSAL.**

ALWAYS REMEMBER THAT

HOW TO SPOT SHORT REVERSALS ON 1 HOUR TIME FRAME.

- ▶ On buy trend the market will show you a reversal or pretending to reverse from a buy to sell but when you check on the higher time frame H4 the market is still above the cloud the only thing that happened was a small change on direction. On h4 never went below the cloud.
- ▶ On sell trend will show you a reversal or pretending to reverse from sell to buy but when you check on the higher time frame H4 the market is still below the cloud the only thing that happened was a small change on direction. On H4 never went above the cloud.
- ▶ Remember the moving average will cross to show a change in direction **but it will never go below /above the cloud to be a complete reversal**

ALWAYS REMEMBER THAT

Short reversal on a buy trend H1



H4 TIME FRAME



- ▶ If you check the first picture on H1 between the 23 until the 27 January the price was above the cloud and made short reversal bouncing on the cloud and continued going up.
- ▶ This happened because on the second picture on H4 from 23 and 27 January the market was above the cloud therefore the reversal was weak which made it a short reversal.

REMEMBER!!!! EVEN IF IT WENT BELOW THE CLOUDS ON H1 AS LONG AS IS ABOVE THE CLOUD ON H4 IT IS STILL A SHORT REVERSAL. IT WILL NOT BE SAFE FOR YOU TO TAKE THE TRADE.

SHORT REVERSAL ON A SELL TREND 1 HOUR



4HOUR TIME FRAME



- ▶ If you can check the first picture on 1 hour time frame 27 February until 1 March the market was below the cloud and made a short reversal bouncing on the clouds and continue heading down.
- ▶ This happened because the second picture which is H4 on the same date the market was below the cloud which tells us that the trend was still going down.
- ▶ **REMEMBER!!! EVEN IF IT CAN GO ABOVE THE CLOUD ON H1 AS LONG AS IS STILL BELOW THE CLOUD ON H4 THEN THE TREND IS STILL GOING DOWN.**

ALWAYS REMEMBER THAT

SECOND PART

FOREX

1

2

3

4



▶ H4 MARKET TREND

- ▶ On the previous sideline the focus was on H1 trend using H4 to confirm it.
- ▶ On h1 the market trend has minimum of 3-4 day before it make a short/ complete reversal
- ▶ It can also go to as far as 5days don't be surprise
- ▶ But did you ask your self how long does it takes the market trend on H4 how long can it take to change direction or short /complete reversal
- ▶ This section is going to unpack that question and answer it as accurately as possible.

GET READY



- ▶ As we have seen that the market on H1 can move in a certain direction for before it can change direction or make complete reversal.
- ▶ On H4 the market move in weeks as compare to H1 where it moves in days from 1day,2day etc...
- ▶ In the time frame the market takes 3-4weeks to move in a certain direction before it can change direction or make a little pullback or make a short reversal.

NEXT PAGE PLEASE



- ▶ It sound a bit confusing.... Not really it is the something as H1 but this time we moves in weeks not in days which means the movement it bit slower as compared to daily movement since a week is longer than a day.
- ▶ Which means when you place a trade you check it after 3-4weeks
- ▶ You must wait for the market for 3 weeks before you can re-analyze and place another trade.
- ▶ Almost a month, sound a bit long....

NEXT PAGE PLEASE

- ▶ On this timeframe patience is the first principle you need to have because these things do not happen as fast as H1, now the psychology is changing
- ▶ This means you can focus on buy /sell on H1 for 3-4 weeks since that is how long a trend can take on H4 before it can make short/complete reversal. But on EURGBP you must catch a trade via H1 on week 1 and 2 because on week 3 90% of the time is bound to reverse.
- ▶ If you did not catch the trend on week 1 and 2 on EURGBP you must wait for the market to decide on a trend on week 3 before you can enter, because it is no longer safe to enter on week 3.
- ▶ The price can stay above or below the cloud on H4 for 3-4 weeks.

NEXT PAGE PLEASE

H4 WEEKS BUY TREND



- ▶ If you can check on the picture week 1 was from 17 April – 21 April
- ▶ The week 2 was from 24 April – 28 April
- ▶ Week 3 was from 01 May – 05 May
- ▶ WEEK 4 was from 08 May – 12 May

NEXT PAGE PLEASE

- ▶ Since it is on H4 we said the market moves in weeks hence you saw week 1,2,3,4 just like what you saw on H1 day1 up to day4.
- ▶ The market was above the cloud for 4 weeks before it can make a short or complete reversal
- ▶ This means that on H1 you were going to place buy entries since you will be using H4 to analyze those weeks.
- ▶ Sounds nice hey...As I said it won't be that difficult . It is the some thing but the differences is the duration , weeks(H4) vs days(H1).

NEXT PAGE PLEASE

- ▶ **But here is the most important part...on week 3/4 the market is getting ready to make reversal depending if it reverses on 3/4 weeks.**
- ▶ It will make short/complete reversal
- ▶ The reversal rule is the same as the one on H1
- ▶ This means on week 4 you can stop trading and wait for the market to decide before you can re-analyze and make another entry. But remember on EURGBP you stop on week 3 and wait for the market to decide since we said it will reverse on week 3 most of the time.
- ▶ **N:B THE MARKET IT CAN GO ON BUY/SELL DIRECTION FOR 5 WEEKS AT THE SAME STAGE DO NOT BE SURPRISED**

NEXT PAGE PLEASE

H4 WEEKS SELL TREND



- If you can check on the picture 1st week was from 17 April -21 April
- The 2nd week was from 24 April -28 April
- The 3rd week was from the 01 May-05 May
- 4th week was from 8 May-12 May

ALWAYS REMEMBER THAT

- ▶ Since it is on H4 we said the market moves in weeks, hence you saw Week1,2,3,4, just like what you saw on H1 day1 up to day4.
- ▶ The market was above the cloud for 4weeks before it made a short/complete reversal.
- ▶ This means that on H1 you were going to place buy entries since you will be using H4 to analyze for those weeks.
- ▶ Sounds nice hey... As I said it won't be that difficult. It is the same thing but the difference is the duration, weeks(H4) vs days(H1)

NEXT PAGE PLEASE

- ▶ But here is the most important part....on week 3/4 the market is getting ready to make a reversal depending if it reverses on 3rd or 4th week.
- ▶ It will make a short/complete reversal
- ▶ The reversal rules are the same as the ones on H1.
- ▶ This means on week 4 you can stop trading and wait for the market to decide before you can re-analyze and make another entry. But remember on EURGBP you stop on week 3 and wait for the market to decide since we said it will reverse on a 3rd week most of the time.
- ▶ **N:B THE MAREKT CAN GO IN A BUY/SELL DIRECTION FOR 5WEEKS AT SOME STAGE DO NOT BE SURPRISED.**

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H4 weeks sell trend



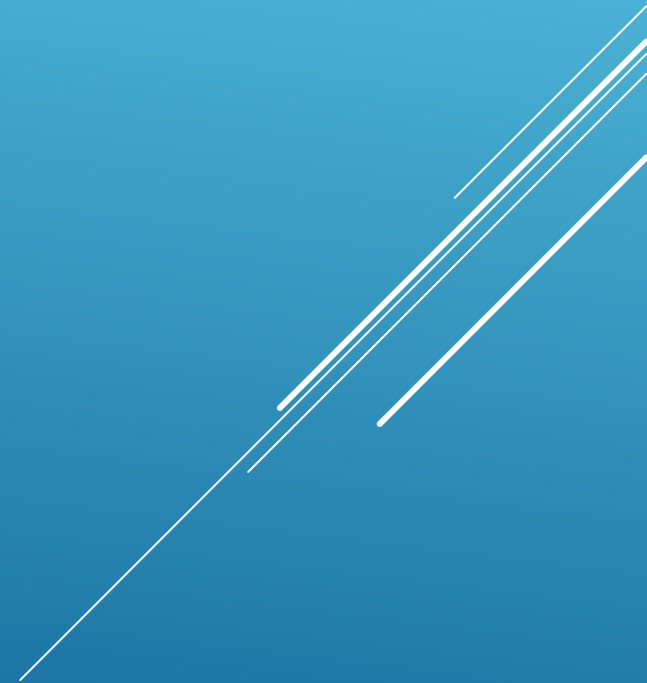
- ▶ If you can check on the picture the market was on a sell trend for 4weeks before it made a short/complete reversal
- ▶ 1st week was from 15 May-19 May
- ▶ 2nd week was from 22 May-26 May
- ▶ 3rd week was from 29 May-02 June
- ▶ 4th week was from 5 June-9 June

ALWAYS REMEMBER THAT



- ▶ But here is the most important part...on week 3/4 the market is getting ready to make a reversal depending if it reverses on 3rd or 4th week.
- ▶ It will make a short/complete reversal
- ▶ The reversal rules are the same as the ones on H1.
- ▶ This means on week 4 you can stop trading and wait for the market to decide before you can re-analyze and make another entry.
- ▶ **N:B THE MAREKT CAN GO IN A BUY/SELL DIRECTION FOR 5WEEKS AT SOME STAGE DO NOT BE SURPRISED**

ALWAYS REMEMBER THAT



140.713 140.809 140.641 140.691



WEEK 1

WEEK 2

WEEK 3

WEEK 4

WEEK 1

WEEK 2

WEEK 3

WEEK 4

↑
BUY TREND

↓
SELL TREND

17 Apr 04:00 19 Apr 20:00 24 Apr 12:00 27 Apr 04:00 1 May 20:00 4 May 12:00 9 May 04:00 11 May 20:00 16 May 12:00 19 May 04:00 23 May 20:00 26 May 12:00 31 May 04:00 2 Jun 20:00 7 Jun 12:00

- ▶ The previous picture shows a complete market trend from a buy to a sell trend.
- ▶ If you can check after 4weeks the market changed a direction from a buy to a sell(complete reversal).
- ▶ Then it dropped for another 4weeks.
- ▶ **Do not forget that the reversal rules are the same as the ones on H1**

ALWAYS REMEMBER THAT



PY,H4 140.713 140.809 140.641 140.691



WEEK 1

WEEK 2

WEEK 3

WEEK 4

↑
SHORT REVERSAL

2016 1 Nov 04:00 3 Nov 20:00 8 Nov 12:00 11 Nov 04:00 15 Nov 20:00 18 Nov 12:00 23 Nov 04:00 25 Nov 20:00 30 Nov 12:00 5 Dec 04:00 7 Dec 20:00 12 Dec 12:00 15 Dec 04:00 19 Dec 20:00 22 Dec 12:00

H4 SHORT REVERSAL

- ▶ The previous picture was showing short reversal
- ▶ It bounced on the cloud and continued for 3weeks before a complete reversal took place.
- ▶ **Do not forget that the reversal rules are the same as the ones on H1.**

ALWAYS REMEMBER THAT

A decorative graphic consisting of several parallel white lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the slide.

**I DON'T STOP
WHEN I'M TIRED
I STOP WHEN I'M DONE**

SUCCESS DIARIES

