

“Next Generation Traders”

# SFTC V3



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Herry Asaloei

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# Introduction

I was born in Makassar (formerly called Ujung Pandang) in the province of South Sulawesi, which is located in the central Indonesian archipelago. After graduating from Junior High, I moved to Jakarta along with my family, and we've been here since then.

I am married and blessed with 2 children, a boy and a girl. I currently run a small business selling gas and mineral water from my home. I am not a full time trader as such, as I spend most of my time running my business. It's during my leisure time that I like to trade. I enjoy swimming which I often get to do on Sundays with my children.

When the time is right one day, I aim to be a full time trader. My interest in trading began when I was inspired by my mentor while in Senior High. He had told me that he could earn up to \$1,000,000 by trading stocks. That inspired me a great deal, and so, I prepared myself by taking Statistics as a subject at the University from which I graduated in 1998.

After graduation, I found employment at a company that offered commodity trading. I was there for a few months until I became interested in another company that dealt with Forex trading. In the year 2000, after comparing the benefits and opportunities to improve, I decided to take a position at the Forex trading company, where I then spent the better part of the next 2 years.

I was taught the bare minimum about trading there and then asked to find investors. I approached my uncle to open an account, and in the beginning, with little knowledge and full of spirit, I started up a live trading account and earned more than \$2,000!

However, the account was soon reduced by half and the remaining funds withdrawn by the owner. That was my first Forex trading experience. After that, I stopped trading for several years until I eventually resumed in 2005.

Since then, I have tried to find a way to beat the market. While searching the internet, I landed on one of Mark McRae's websites, subscribed and started receiving his emails.

Those emails gave me a better understanding about how some indicators work and how to use them. (Thanks Mark!)

I started practicing on a demo account 2 years ago and have been constantly improving and refining my system to make it the very best.

# Juku Bulaeng's Profile



**Full Name:** Herry Asaloei

**City:** Tangerang Selatan

**State:** Banten

**Country:** Indonesia

**Gender:** Male

**Birthday:** 02/25/1973

## **How many years have you been trading?**

I started trading in the year 2000, so about 10 years.

## **Tell us about yourself.**

I currently run my own business while trading forex. I hope that I will be able to trade Forex for a living by developing a good trading system. I'm a hardworking man. I like to help people reach their goals and make other people happy. I am married and blessed with 2 children. My hobbies are swimming and reading books or magazines at my leisure time.

## **How did you start learning more about how to trade when you first started?**

When I started trading, I was searching for materials i.e. trading systems and indicators that work! I started surfing the net and found many trading systems, including Mark's Surefire Trading Plans. I started learning and testing the system, but I could not follow it completely because my capital was not enough. Instead, what I gained was understanding of the system, and with that, I was able to start building my own trading system by trial and error.

## **Do you have any favorite website/s on trading?**

The websites I usually visit are [www.forexfactory.com](http://www.forexfactory.com) for next-day upcoming news, [www.forex-tsd.com](http://www.forex-tsd.com) and [www.mql4.com](http://www.mql4.com) for indicators.

**What do you enjoy most about trading?**

What I enjoy most with trading is when I have a cut or loss, it challenges me to improve my trading system to beat the market.

**Why did you enter the Surefire Trading Challenge?**

Frankly saying, I entered the Surefire Trading Challenge because I wanted to test my trading system on how far it can go. I mean, how far it can generate profit compared to other systems. Secondly, it gives me the spirit to develop my trading system to achieve the first prize.

**How do you think will you perform in the Live Trading round of the competition?**

I will prepare myself and focus on my charts so I won't miss any signal generated when I am permitted to take part in the Live round.

**Why did you want to become a trader?**

I decided to become a trader because I can work from home and get more income.

**What is your goal for the Live Trading round? Is there a percentage gain that you have set as a target?**

My goal for the Live Trading Round is to achieve the first place. I have set my gain/profit target to \$200 or more in one day of trading.

**We have provided you with a \$1000 Live Account, how much of this money are you willing to risk and lose?**

I will risk 40 pips each time I enter the market. Before the account balance reaches zero, I still have a chance to win, and I will struggle for it.

# My Trader Bio

**How much time each day/week/month (whichever is most appropriate) can you dedicate to the various requirements of trading and managing a trading system?**

In the previous round, I only dedicated my spare time in each day. But permitted to enter the second round, I will dedicate more time to my trading, the various requirements needed, and be more focused.

**Do you pay any attention to News releases or Fundamentals? If so, how do you approach this, and are there any in particular that you avoid or look to capitalize on?**

I only pay attention to NFP, Unemployment and Rate Decisions in the US market, and Inflation Report and Rate Decisions in the London market. Usually, I stay away from these news releases.

**How many trades do you expect to place each day/week/month (whichever is most appropriate)?**

It depends on how many signals are generated by my trading system and the time I dedicate to stay in front of the charts.

**Which kind of returns do you expect to make?**

I expect to get as much as I can.

**Which currency pair/s will you trade?**

Mainly, I'll trade GBPUSD, EURUSD, EURJPY, AUDUSD, GBPJPY and GBPCHF.

**In which time frame/s will you be trading?**

I will trade on the 15 Minute time frame.

**Which session/s do you trade?**

I usually start trading from the middle of the Asian session until the close of the London market.

**Are there any currency pairs, time frames or sessions that you avoid trading?**

No, I don't avoid trading any time frames or sessions.

**Describe your daily trading routine.**

I trade in the morning from 1:00 AM GMT until 5:00 AM GMT then continue trading from 7:00 AM GMT until 17:00 PM GMT.



# System Description

## **How did you come up with the system you have traded during the competition?**

I built my own system by trial and error after collecting some knowledge from the existing trading systems I know or have subscribed to.

## **Do you use multiple time frames? If so, can you elaborate?**

No, I don't use multiple time frames. I only use the 15 Minute time frame. I don't shift from one time frame to another nor do I use a separate chart with a different time frame.

## **How would you describe your trading system in just a few sentences?**

Firstly, I look at my chart to determine the direction of the trend. Then, I look at the Stochastic Oscillator on the 15 Minute time frame to see whether it is already over bought/sold and have already crossed. If the setup is done, I will look at the William Percent Range (WPR) to see if it has closed above -10 (for uptrend) and below -90 (for downtrend). If the WPR did close in that region then I will wait for the next bar to close out of that region.

## **Do you follow a set number of rules on each and every trade or does it vary?**

I usually make sure that before I enter every trade, these conditions are met:

1. The trend must be set according to the rules in my trading system.
2. The Stochastic Oscillator must have crossed already.
3. The Williams' Percent Range should not be above -10 (for uptrend) or below -90 (for downtrend).

## **Are there exceptions to your trading system rules?**

The only exception is on the Williams' Percent Range. At times when the price moves fast, the WPR will slightly be above -10 (for uptrend) or slightly below -90 (for downtrend), and this situation is accepted as a setup is generated.

## **Do you enter trades using market orders or pending orders?**

I enter the market directly, using market orders.

## **Do you place a stop loss? If so, how do you determine this level?**

I will not place a stop loss if the price movement is in the same direction as that of the 4 Hour time frame Stochastic. Otherwise, I will place a 40-pip stop loss level. I choose 40 pips

as my stop because based on my back testing, I found that the price will only swing to but not exceed 40 pips, except during hectic market movements.

**Do you place a take profit? If so, how do you determine this level?**

Yes, I place a take profit sometimes, usually when I couldn't monitor the price movement (when I need to leave the monitor). I use the daily pivot support/resistance to determine this level.

**Do you exit trades before your stop/target is hit?**

Sometimes, I exit trades before my stop or target is hit, especially if I see a sign that a trend reversal is beginning to form. Any of the 3 conditions below will cause me to exit a position:

1. I will exit if the WPR comes to the "over" zone. For Buy, the oversold level is above -10, and for Sell, the overbought level is below -90.
2. I can exit when the M15 Stochastic has crossed into the overbought/oversold area and ready to cross back.
3. I can exit at the Pivot daily support/resistance line.

**Which signals will cause you to exit early?**

The signal that usually causes me to exit early is the 15 Minute time frame Stochastic Oscillator.

**How long will you remain in a trade once it is opened?**

I will remain in the market if I see the Stochastic Oscillator in the longer time frame take charge or dominate. This means the price trend follows that of the bigger time frame in overbought or oversold condition.

# Components of the System

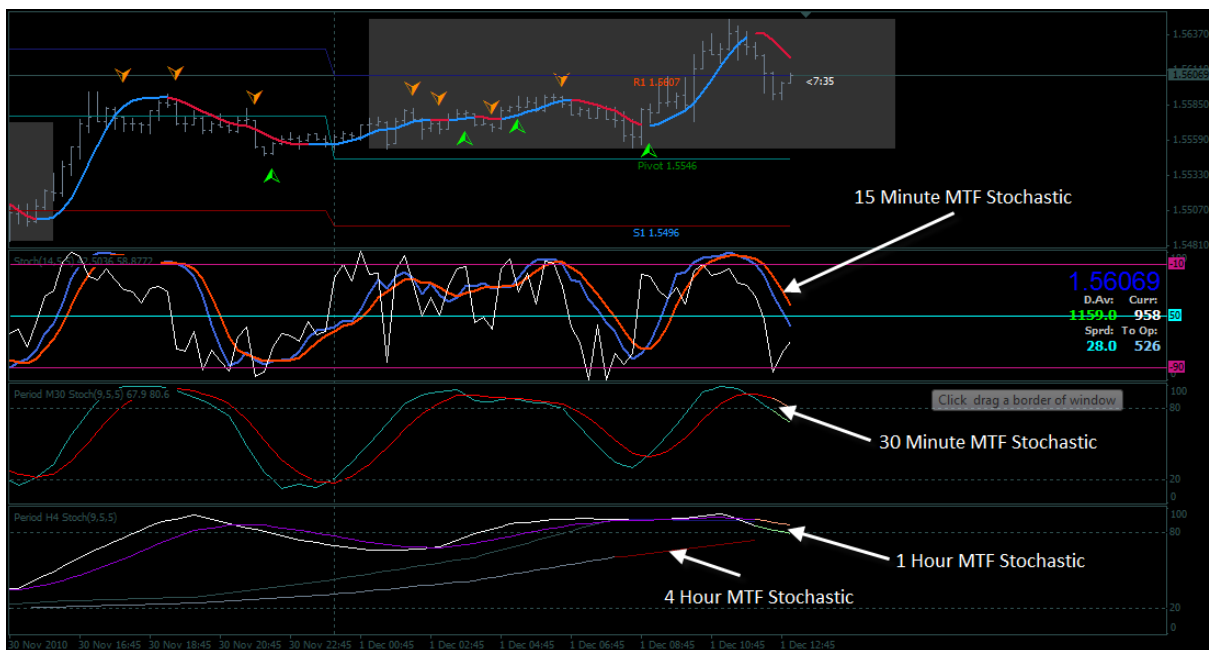
## Time Frames

As I mentioned earlier, I don't use multiple time frames. I only use the 15 Minute time frame. But, I do use a Multi Time Frame Stochastic Oscillator which allows me to get Stochastic readings for different time frames displayed on my 15 minute chart.

This means that I don't need to shift from one time frame to another nor do I need to use separate charts with different time frames.

So, I basically setup all my indicators on the 15 minute time frame. I monitor and base all my trading decisions on one chart, but the information displayed on the chart is from a number of different time frames.

Have a look at the following image to see exactly how I use the MTF (Multi Time Frame) Stochastic custom indicator:



## Indicators

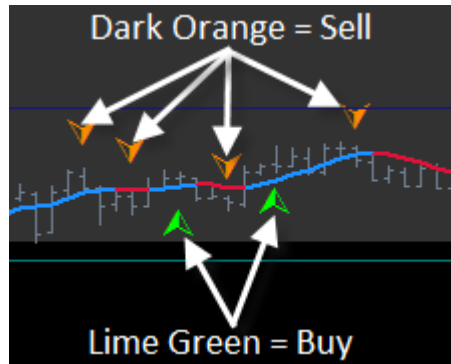
### 1. BE clock

This indicator shows me the time left until the next bar opens.



### 2. Stochastic Crossing (14, 5, 5, 3, 1)

The Parameters I use are 14, 5, 5, 3, 1. This custom indicator shows me the crossing point of the Stochastic Oscillator, making it easier for me to see the crossover on a price chart. Have a look at the following image:



### 3. Pivots\_Daily1

This indicator shows me where I can find the pivot level. It's one of my possible exit levels.

For example, in an uptrend, when the trend is strong, indicated by price movement, the price tends to find a resistance. These levels may be used as possible exit points.

Have a look at the following image; here you can see an example of the Pivot, R1 and S1 levels:



#### 4. Sessions

This indicator shows a visual display of the various Trading Sessions. It has options to display the session price and best trading zones for 3 individual sessions. In the image below, you will see that the session I want to trade in is highlighted using this indicator, and is shown by the Dark Grey shading:



#### 5. MarketPrice-W1

This indicator shows me:

- The Price
- Daily Average Price
- The Spread and Pips Related to the Open Price.

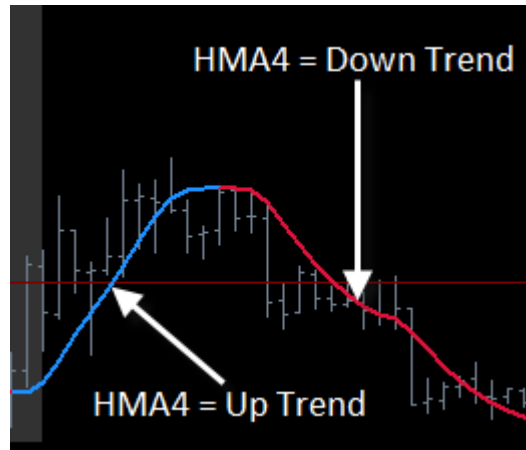
Have a look at the following image:



## 6. HMA4 (Hull Moving Average) (20, 0, 3, 0)

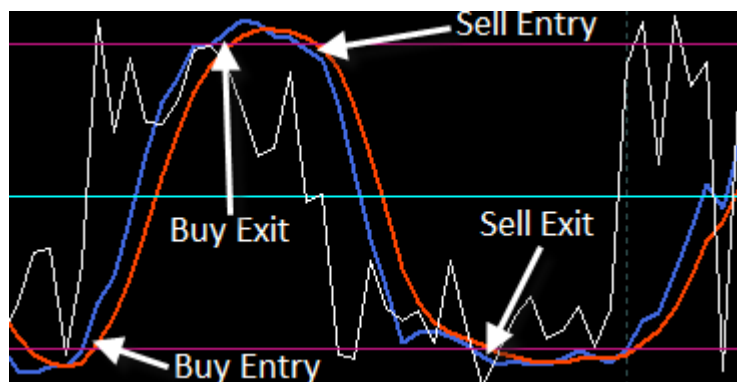
This custom indicator is based on the Hull Moving Average. This Trend indicator will identify bullish trends with a Blue moving average line. Bearish trends are identified by a Crimson moving average line.

Have a look at the following image:



## 7. Stochastic Oscillator (14, 5, 5, close, linear weighted) in M15 time frame - WINDOW 1

The parameters used are 14, 5, 5. I put this indicator in the first window together with the William's Percentage Range indicator. I use this indicator mainly when seeking a point to enter a trade. However, it is useful when seeking an exit point as well. Have a look at the following image:

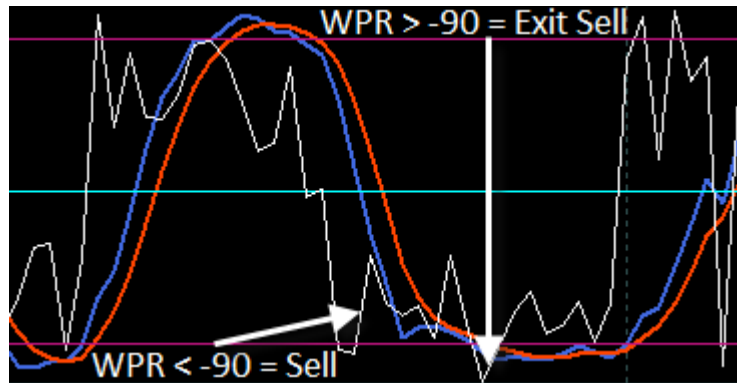


In the image above you can see how we use this indicator. We look to enter Buy trades when the Stochastic is above the -90 line and moving upwards. We can look to exit a Buy trade when the Stochastic lines cross over the -10 line.

We look to enter Sell trades when the Stochastic is above the -10 line and moving downwards. We can look to exit a Sell trade when the Stochastic lines cross below the -90 line. Remember, I put this indicator in the first window together with the William's Percentage Range indicator which is the white line on this chart window pane.

## 8. Williams' Percent Range (9) - WINDOW 1

The Parameter used is 9: Color: White - This is one of the main indicators which assist me in deciding when to enter the market and also in determining an exit target. I use this in the first window on the chart together with the Stochastic Oscillator. Have a look at the following image:



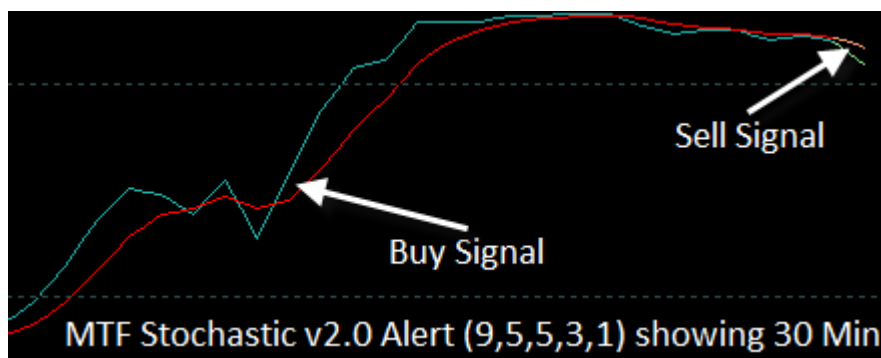
For example, in a Sell trade, the Williams' Percent Range Indicator must not be below -90. If it is, then wait for another bar that closes above -90.

At times when the price moves fast, the WPR will slightly be below -90, and this situation is acceptable in the setup that is generated.

## 9. MTF Stochastic v2.0 Alert (9, 5, 5, 3, 1) in M30 time frame - WINDOW 2

The parameters used are 9, 5, 5, 3, 1. This indicator assists me in identifying the direction of the market on the larger time frames. I mainly use this indicator when trading on the 15 Minute chart so that I can get readings of the Stochastic Oscillator on the higher time frames.

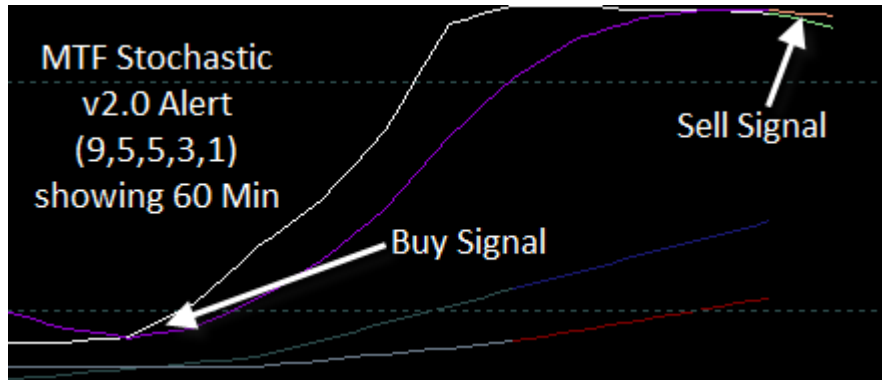
In this case, I want to be able to determine what the Stochastic Oscillator readings are on the 30 minute time frame. This helps me to identify the overall market trend. Have a look at the following image:



### 10. MTF Stochastic v2.0 Alert (9, 5, 5, 3, 1) in H1 time frame - WINDOW 3

The parameters used are 9, 5, 5, 3, 1. This indicator assists me in identifying the direction of the market on the larger time frames. I mainly use this indicator when trading on the 15 Minute chart to get readings of the Stochastic Oscillator on the higher time frames.

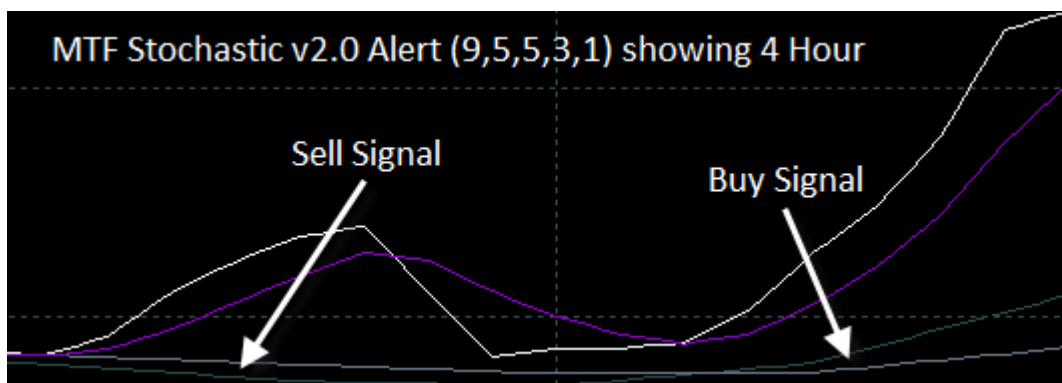
In this case, I want to be able to determine what the Stochastic Oscillator readings are on the 1 hour time frame. This helps me to identify the overall market trend. Have a look at the following image:



### 11. MTF Stochastic v2.0 Alert (9, 5, 5, 3, 1) in H4 time frame - WINDOW 3

The parameters used are 9, 5, 5, 3, 1. This indicator assists me in identifying the direction of the market on the larger time frames. I mainly use this indicator when trading on the 15 Minute chart so that I can get readings of the Stochastic Oscillator on the higher time frames.

In this case, I want to determine the Stochastic Oscillator readings on the 4 hour time frame. This helps me to identify the overall market trend. Have a look at the following image:





## ***Drawdown***

Drawdown refers to the decline in an account's value, usually represented as a percentage amount or as a full dollar figure.

After a series of losing trades, the value of one's capital decreases. This reduction is referred to as the drawdown. To calculate the drawdown, one needs to compute for the difference between a relative peak in equity capital minus a relative trough.

Here's an example:

If you have a \$1,000 account and you lose \$500, what percentage of your account have you lost?

You know that the answer is 50%. This percentage is what is called a drawdown. It is that simple.

Drawdown may seem like a negative term, but it is part of trading. Since it is inevitable, it is vital to have risk management rules to become successful at trading. Risk management allows you to risk only a small percentage of your account balance so that it can survive losing streaks.

## ***Risk/Reward Ratio***

Risk is another aspect of trading that will always be present in every trade. There is always a certain degree of risk in each and every trade that you enter. As a trader, you must see to it that you know the amount of risk that you are taking, because this is very important.

Knowing how much you are risking will enable you to limit the risk and protect your account as you trade. Initially determining your risk-reward ratio is the best way to measure the level of risk before entering a particular trade. This ratio is one of the most effective risk management tools being used by successful traders.

This ratio is a parameter that will enable you to calculate the level of risk every time a trade is entered. The risk-reward ratio represents the level of risk versus the potential reward/profit for a trade. Showing how much risk you are taking makes this ratio a very simple and effective tool, yet many traders neglect this tool, only to find large losses in their accounts when it's too late.

### **How to Determine the Risk-Reward Ratio**

In order to calculate the risk-reward ratio, one must first identify the amount of risk, which is determined by the amount of money needed to enter the trade. Multiply the cost of the currency with the number of lots to know much money is actually at risk in the trade. The amount of risk is represented by the first number of the risk-reward ratio.

Next, identify the potential reward/profit. This is the gain in currency price that the trader can expect to earn from the currency price movement. Multiply this gain with the number of lots traded to compute the potential reward. This will be represented by the second number of the risk-reward ratio.

### **Examples**

Here are a few examples of the risk-reward ratio:

- \* If the risk is \$200 and the reward is \$400, then the risk-reward ratio is 200:400 or 1:2.
- \* If the risk is \$500 and the reward is \$1,500, then the risk-reward ratio is 500:1500 or 1:3.
- \* If the risk is \$1,000 and the reward is \$500, then the risk-reward ratio is 1000:500 or 2:1.

### **What is a Good Risk-Reward Ratio?**

When trading with Forex, the minimum risk-reward ratio for a trade is usually 1:2. However, a larger potential reward/profit is preferred. A 1:3 risk-reward ratio may be acceptable for beginning traders. Figures greater than 1:3 are too risky, and these trades should be avoided. With my trading system, the risk-reward ratio is 1:1.

Many experienced traders wait for trades with a risk-reward ratio of 1:5 or lower before entering the trade. Such trades don't occur very often, however, the reward is worth the wait. It's always good to take trades with a lower risk-reward ratio in case the price does not make the anticipated price movement. If, on the other hand, the trader enters a position with a higher risk-reward ratio, the risk is increased since there is very little room left for smaller price movements.

It is essential for every trader to use the risk-reward ratio as it is an important money management tool. Beginning traders must make an effort to form the habit of completing this extra step because it can help protect their accounts by identifying low risk trades that they may enter.

It takes a lot of patience and effort to wait for the right risk-reward ratio, but the benefits are worth the hard work. This ratio enables the trader to identify the amount of risk and the amount of potential profit in every trade, enter only in trades that are worth taking, and avoid trades that are more likely to bring about losses.

### ***Money Management***

Money management can make or break your forex trading career. Even if you are using the best trading system out there, you can still fail without the right risk management. Risk management combines multiple means to limit the risk in trading. It may include, but is not limited to, controlling the lot size, hedging, trading only during certain hours or days, or knowing when to take losses.

## Why is Forex risk management important?

Risk management is very important in trading Forex. In fact, it is one of the key concepts for survival as a forex trader. This concept is quite easy to understand, but it is difficult to apply.

Traders are always bombarded with the benefits of using leverage but are not well-informed with its drawbacks. This gives them a mindset that they should take trades despite large risks with the expectation to earn a large profit. Trading may seem too easy using a demo account, but once real money and emotions are involved, it won't be the same. This is why true risk management is critical.

## Controlling losses

You can control the amount of losses as a form of risk management. When the price goes against the expected direction, you must know when to cut the losses on a trade. This can be done in two ways, with the use of a hard stop or a mental stop.

A hard stop is placed when you set a stop loss as the trade is initiated. On the other hand, a mental stop is being used when you exit the trade based on a certain limit or drawdown that you are willing to take for the particular trade.

Identifying the ideal stop loss level may vary among traders. What's important is that it should reasonably limit the risk in as much as you are comfortable with it. As soon as you have identified your preferred stop loss, stick with it. Otherwise, you could fall into the trap of moving your stop loss farther and farther out, defeating its purpose which is to efficiently cut your losses.

## Using correct lot sizes

At one point in time, you may have thought that it is possible to open an account with \$300, and use a 200:1 leverage to open mini lot trades of \$10,000 dollars, and double your money in one trade. Nothing could be farther from the truth.

There is no magic formula that can accurately tell the lot size that you should be trading with. But for beginners, the smaller the lot size, the better. Each trader has his own level of risk tolerance. As a rule of thumb, it is best to remain as conservative as possible.

Not everyone has enough resources to open a \$5,000 account, but this is not a reason to use larger lots if you have a small account. It is important to understand the risk of using larger lots with a small account balance. Trading with smaller lot sizes allows one to stay flexible and manage trades based on logic than on emotions.

### Tracking overall exposure

Reducing the lot size is good for managing your risk, but it cannot help when you open too many trades amounting to too many lots. There is a correlation between currency pairs, and this is important for any trader to understand.

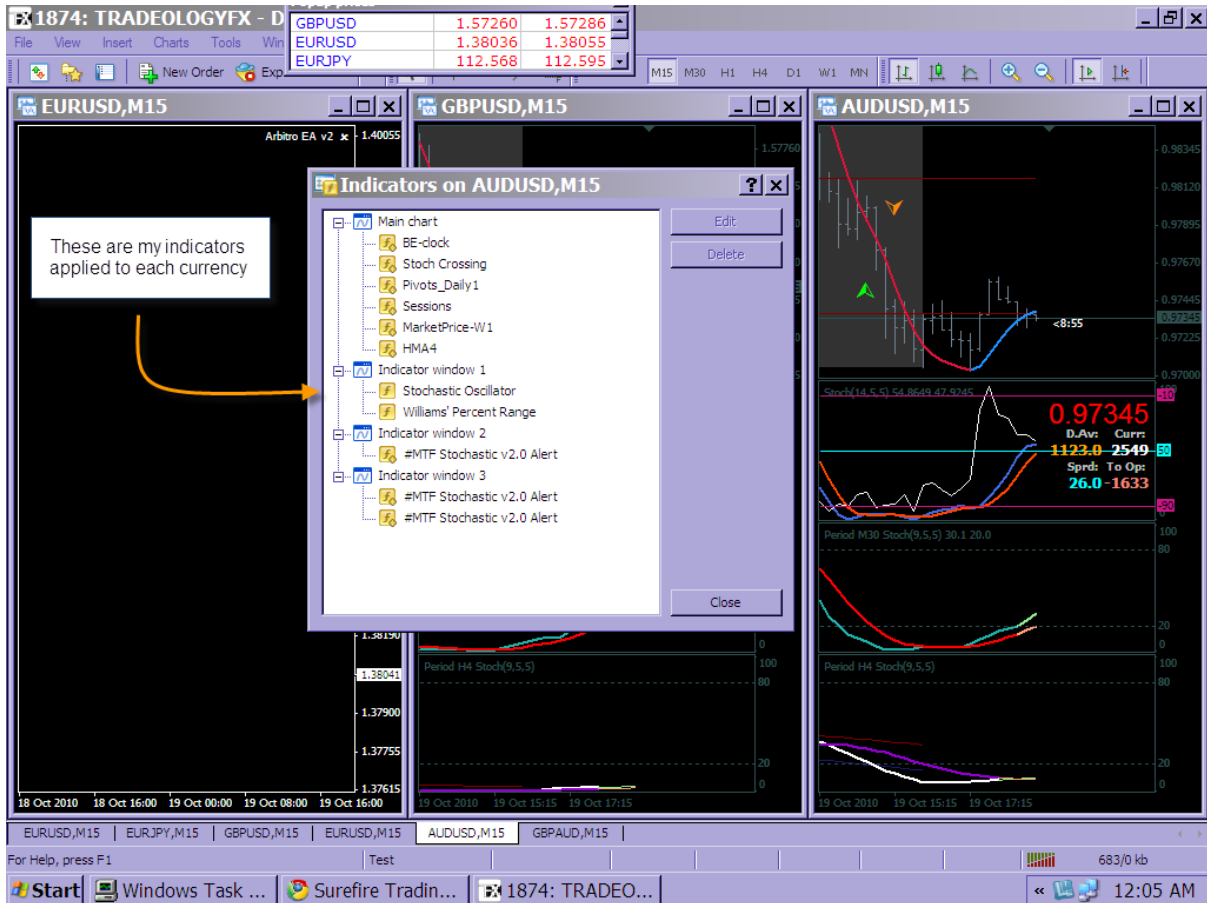
An example would be going short on the EUR/USD and long on the USD/CHF. In this scenario, the account is exposed twice to the USD in the same direction. This means that the overall exposure to USD is long two times the lot size. So, if the USD goes down, both trades lose. The importance of keeping the overall exposure limited is that it reduces your risk and keeps you in the game in the long run.

### The bottom line

Risk management is all about keeping your risk under control. The more controlled your risk is, the more flexible you can be when you need to be. If you notice, Forex trading is about opportunity, and traders need to be able to act when such opportunities arise. By limiting your risk, you insure that you can continue to trade even if events do not go as planned. Using proper risk management can be the difference between becoming a forex professional and being a quick blip on the chart.

# Setting Up Your Charts

The image below shows the indicators that I have used and how they should look like in your charts before trading.



## Indicator List

1. BE clock
2. Stoch Crossing (14, 5, 5, 3, 1)
3. Pivots\_Daily1
4. Sessions
5. MarketPrice-W1
6. HMA4 (Hull Moving Average) (20, 0, 3, 0)
7. Stochastic Oscillator (14, 5, 5, close, linear weighted) in M15 time frame- WINDOW 1

8. Williams' Percent Range (9) - WINDOW 1

9. MTF Stochastic v2.0 Alert (9, 5, 5, 3, 1) in M30 time frame - WINDOW 2

10. MTF Stochastic v2.0 Alert (9, 5, 5, 3, 1) in H1 time frame - WINDOW 3

11. MTF Stochastic v2.0 Alert (9, 5, 5, 3, 1) in H4 time frame - WINDOW 3

**Do you apply indicators on other indicators when trading your system?**

Yes, I apply the Williams' Percent Range at the window (window 1) of the Stochastic Oscillator then use two MTF Stochastic Oscillators in window 3.

**Does your system use any custom indicators?**

1. BE clock

2. Stoch Crossing (14,5,5,3,1)

3. Pivots\_Daily1

4. Sessions

5. MarketPrice-W1

6. HMA4 (20,0,3,0)

7. Stochastic Oscillator (14,5,5,close,linear weighted) - WINDOW 1

**Are your custom indicators available as open source?**

Yes, they are.

**Kindly provide a link where we can download a copy of your custom indicators.**

[www.forex-tsd.com](http://www.forex-tsd.com)

***How to Setup Your Charts***

Starting with a blank chart in the 15 Minute timeframe, click on chart shift, remove the grid, and zoom in. Now, you are ready to change the settings of the graph.

**Properties Tab**

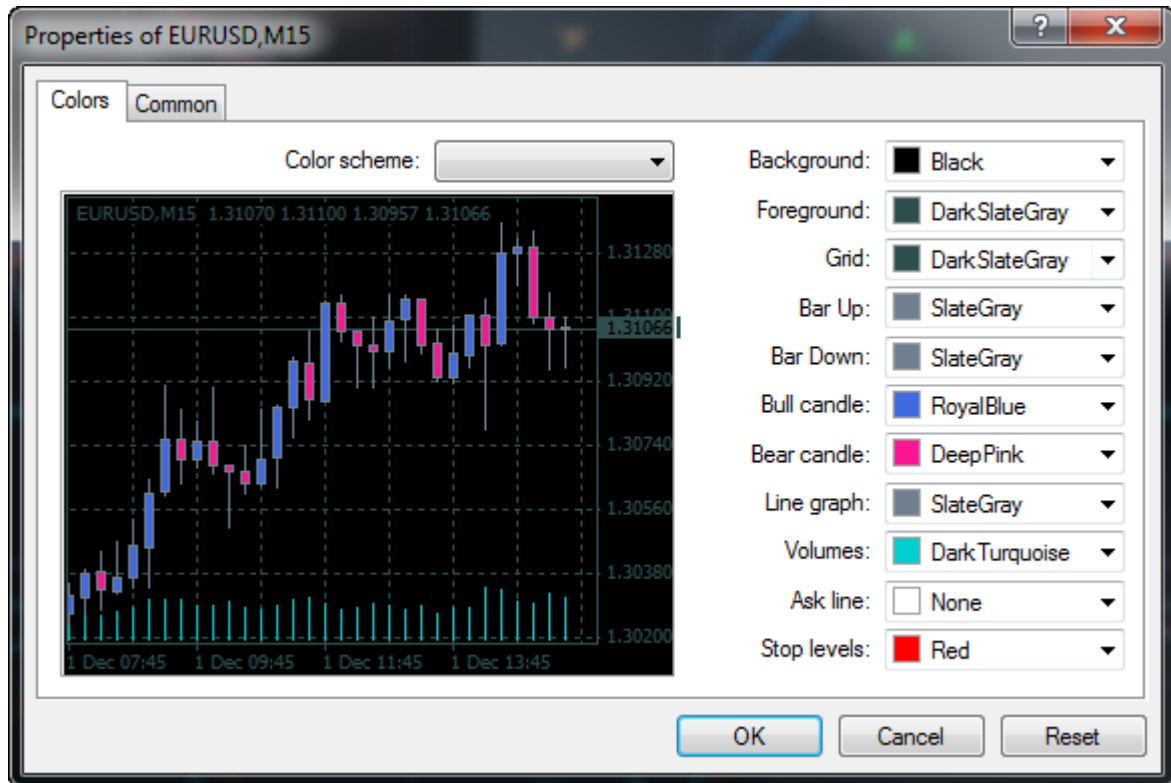
Foreground - DarkSlateGray

Bar up - SlateGray

Bar down- SlateGray

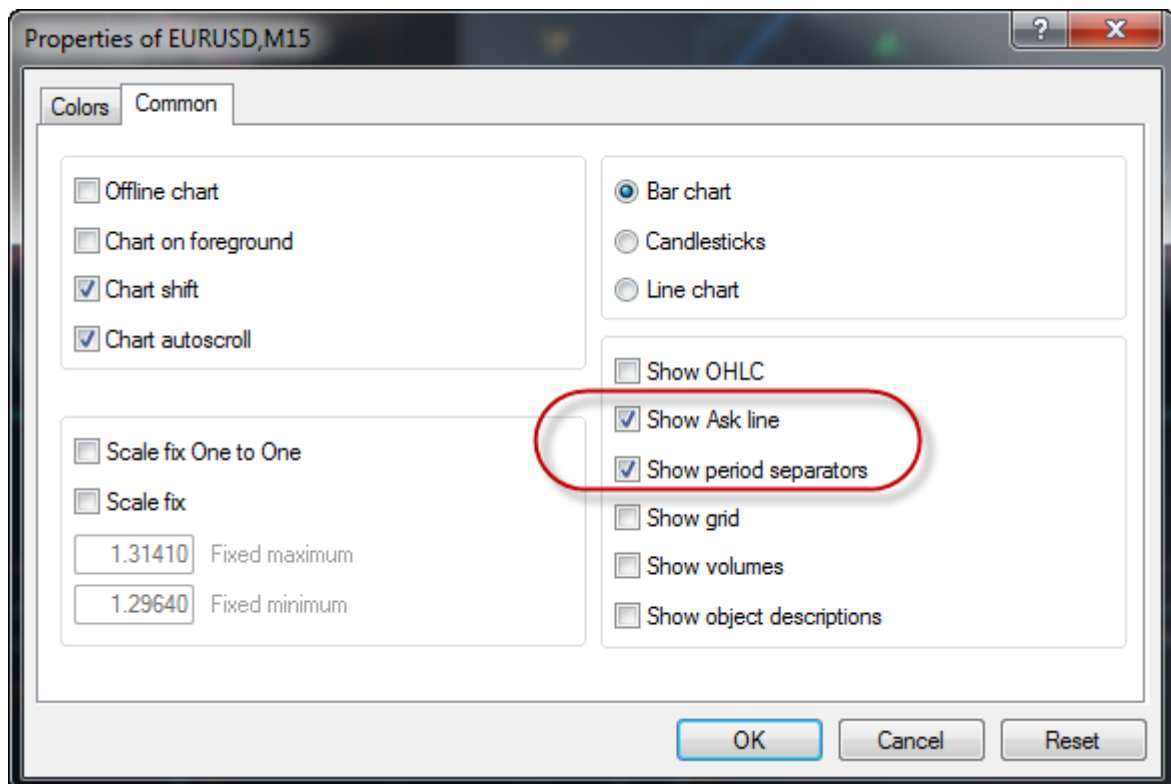
Line graph - SlateGray

See the following image:



### Common Tab

Only 2 options need to be set here on the Common tab, have a look at the following image:



Make sure that the “Show ask line” and “Show period separators” are ticked.

## Indicator Settings

Before setting up your charts, make sure that you have downloaded the custom indicators and added them into the indicators folder of your platform. Then, you can apply the indicators in the order as shown below.

### 1. Stoch Crossing

The Stochastic Crossing is a custom indicator. You can drag and drop this from the navigator window to your chart.

#### Inputs Tab:

Kperiod1 – 14

Dperiod1 – 5

Slowing1 – 5

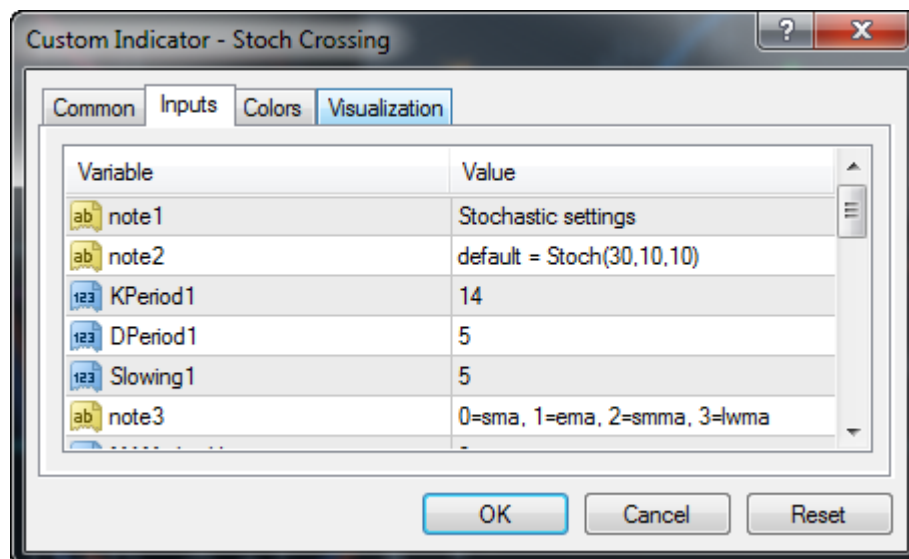
MAMethod – 3

PriceField – 1

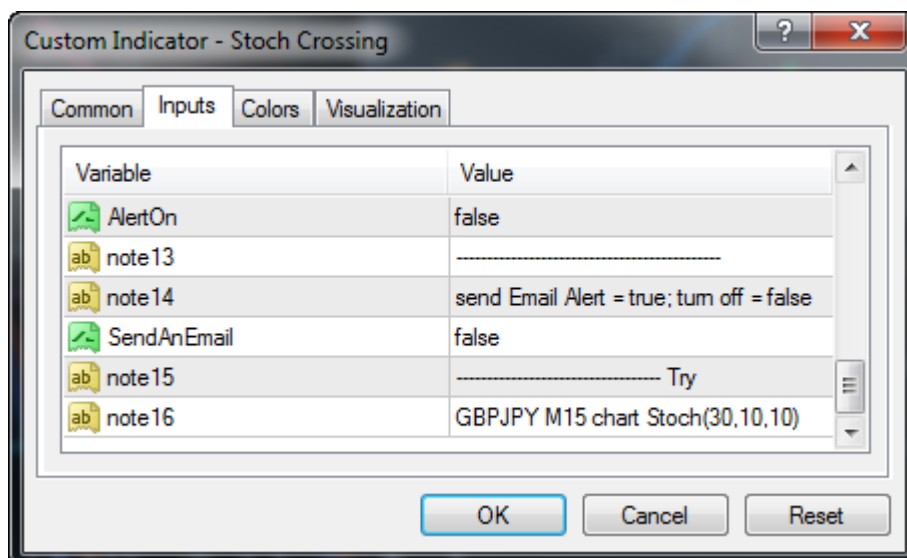
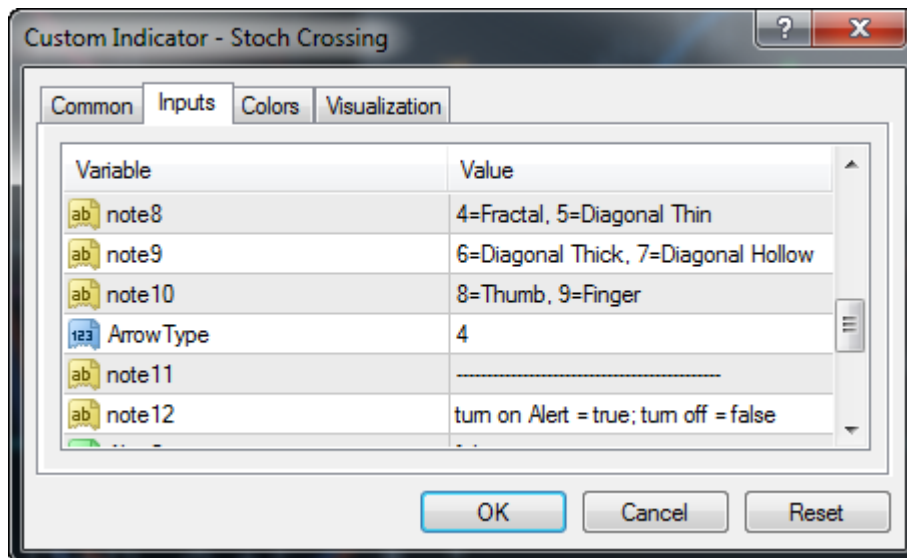
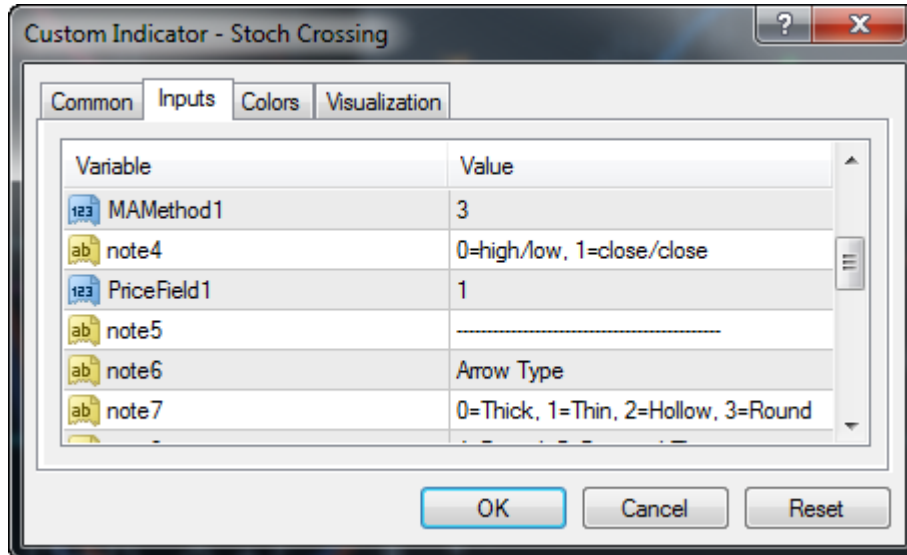
ArrowType - 4 (fractal symbol)

Alert on – true

See the following images:



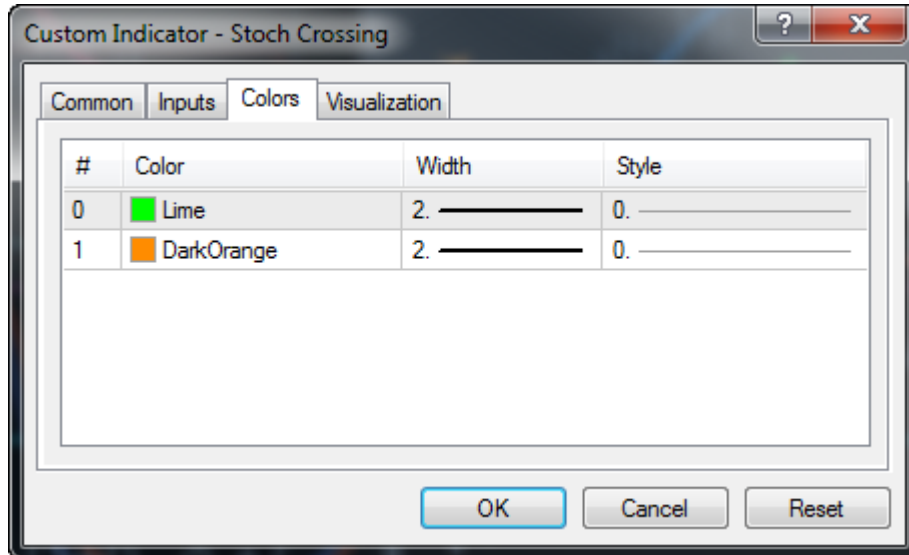




**Color Tab:**

- 0 - Lime (for up signal)
- 1 - DarkOrange (for down signal)

See the following image:



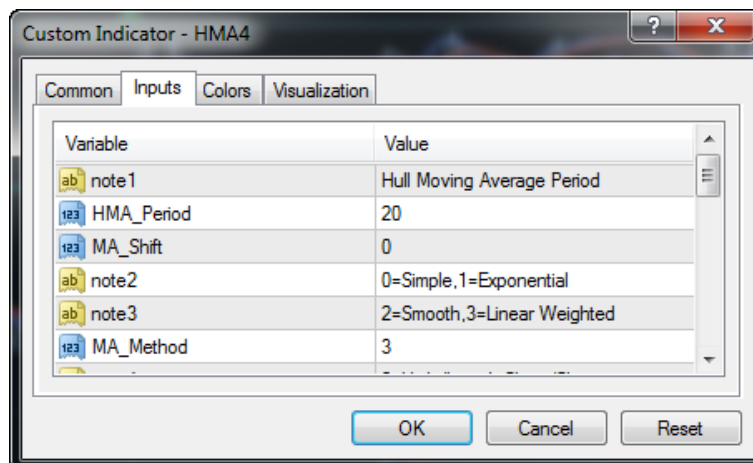
**2. HMA4 (Hull moving average 4)**

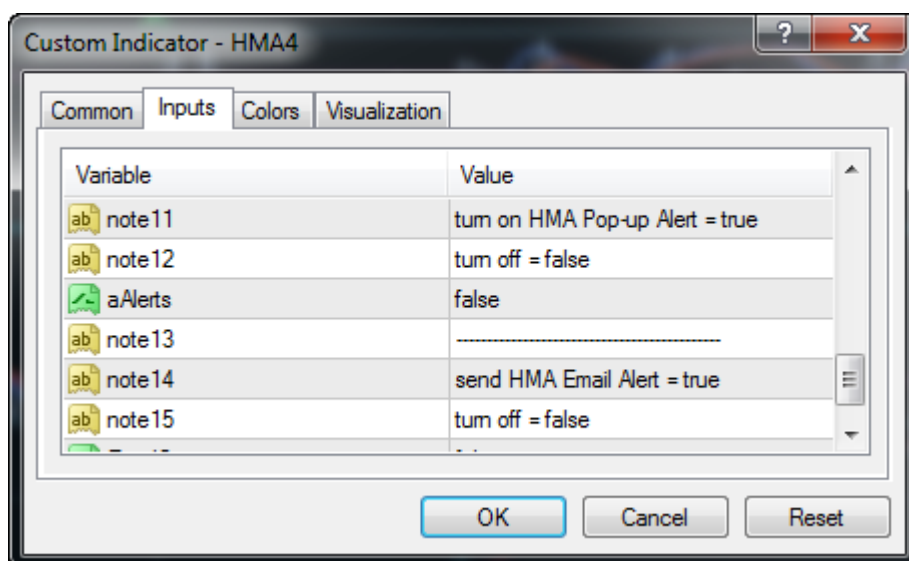
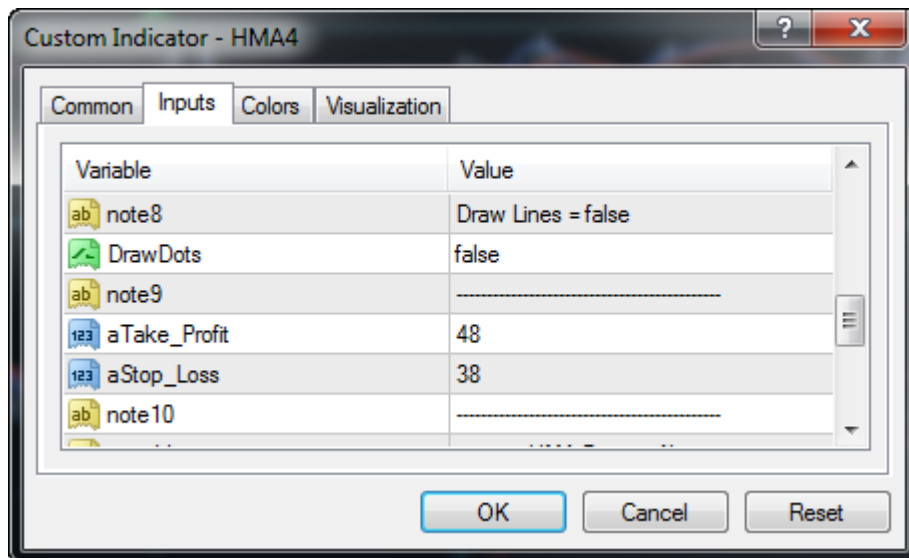
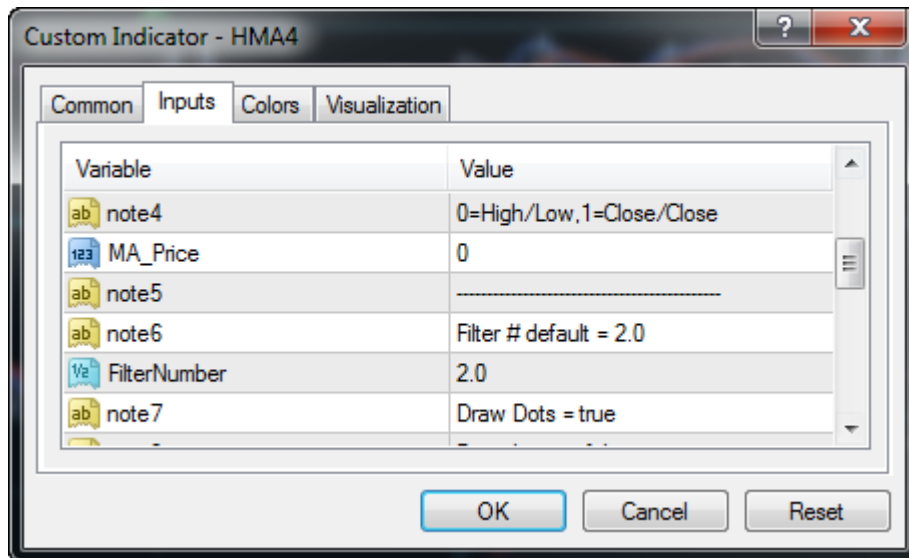
The HMA4 is another custom indicator which you can also drag and drop from the navigator window to your chart.

**Inputs Tab:**

- HMA\_period – 20
- MA\_shift – 0
- MA\_method – 3
- MA\_Price – 0
- DrawDots – false (line)

See the following images:





### 3. M15 Stochastic Oscillator – Window 1

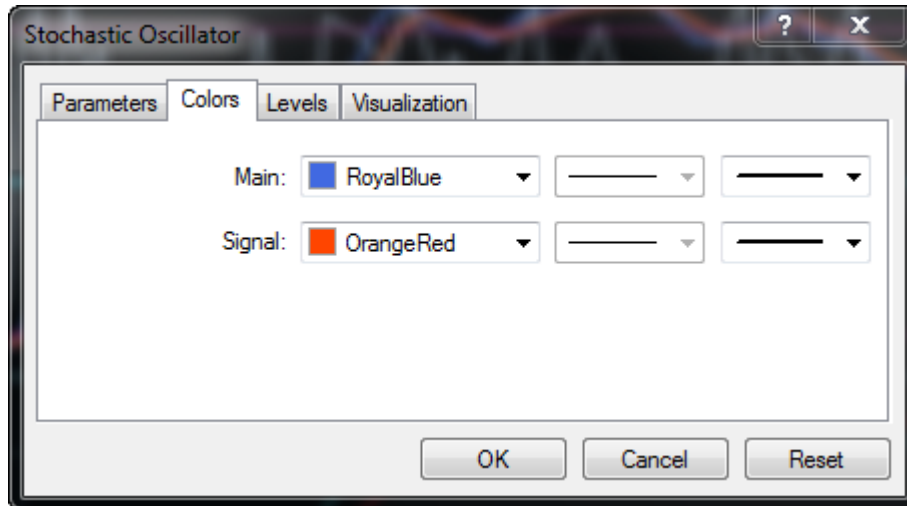
This is a standard indicator that you can normally find in any platform's Indicators list. Add this by double-clicking it or dragging and dropping it to your chart. This is our Window 1.

#### Colors Tab

Main – RoyalBlue

Signal – OrangeRed

See the following image:



#### Parameters Tab

%K period – 14

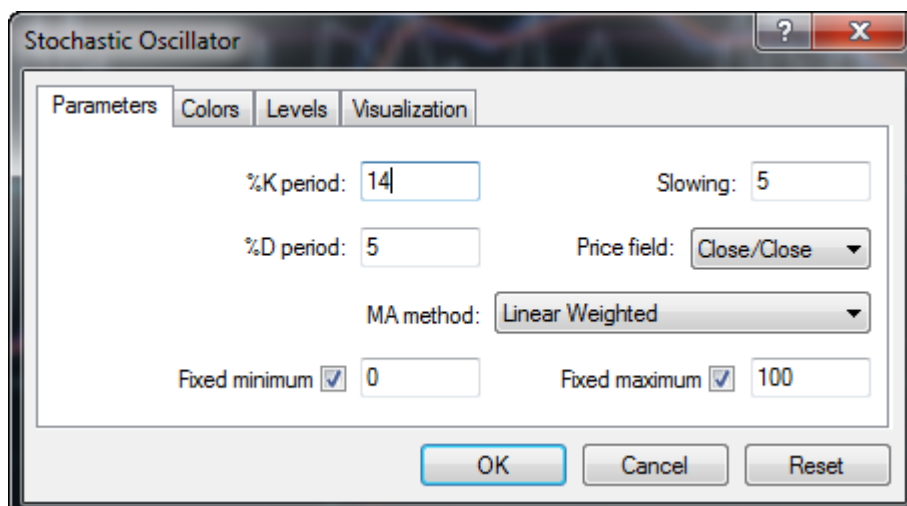
Slowing – 5

%D period – 5

Price field – Close/Close

MA method – Linear Weighted

See the following image:

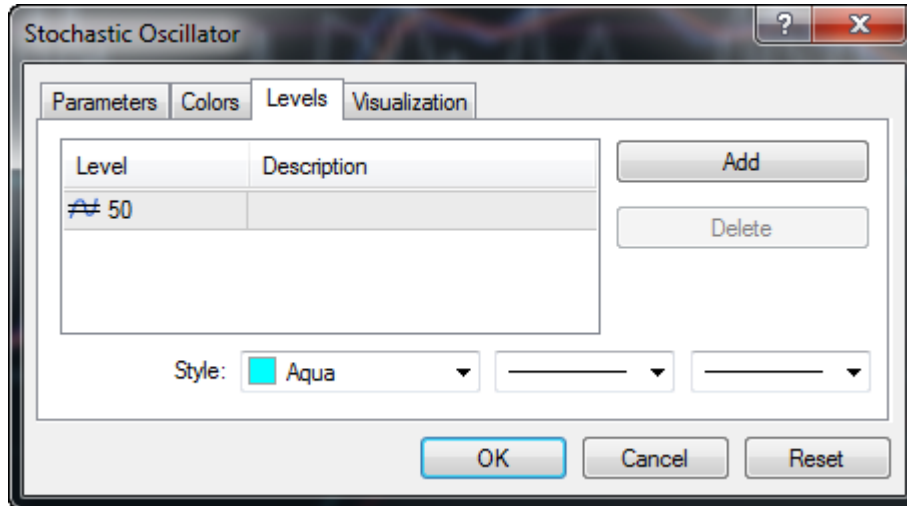


### Levels Tab

Level – 50

Style – Aqua , straight line

See the following image:



### 4. WPR (Williams' Percent Range) – Window 1

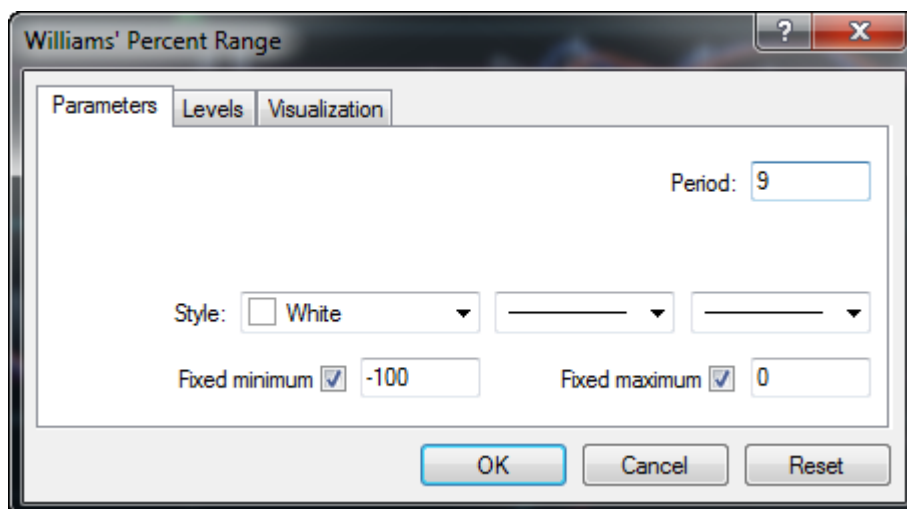
The WPR is a standard indicator. You need to drag and drop it from your navigator window to your chart's window 1.

### Parameters Tab

Period – 9

Style – White

See the following image:

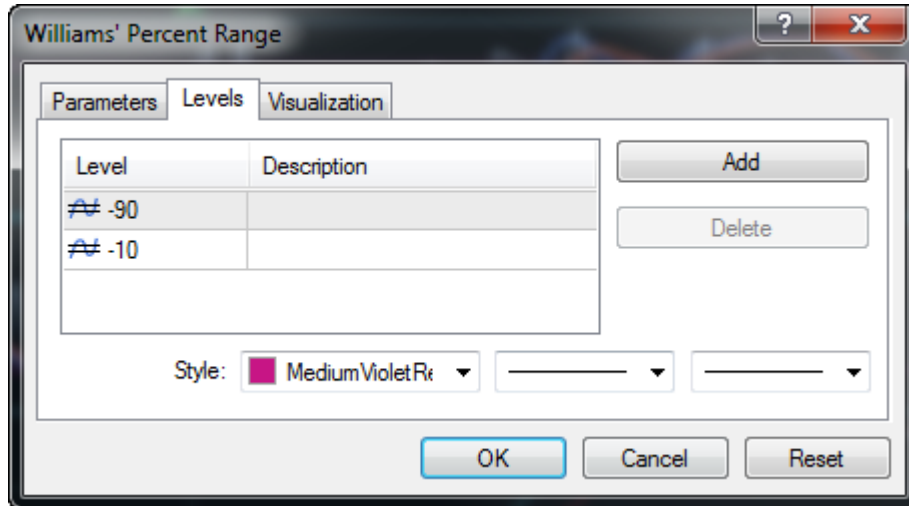


### Levels Tab

Level – -90 and -10

Style – MediumVioletRed, straight line

See the following image:



### 5. M30 #MTF (Multi Time Frame) Stochastic v2.0 Alert - Window 2

You can find the MTF Stochastic under the custom indicators. Double click on this to open it in a separate window, Window 2.

### Colors Tab

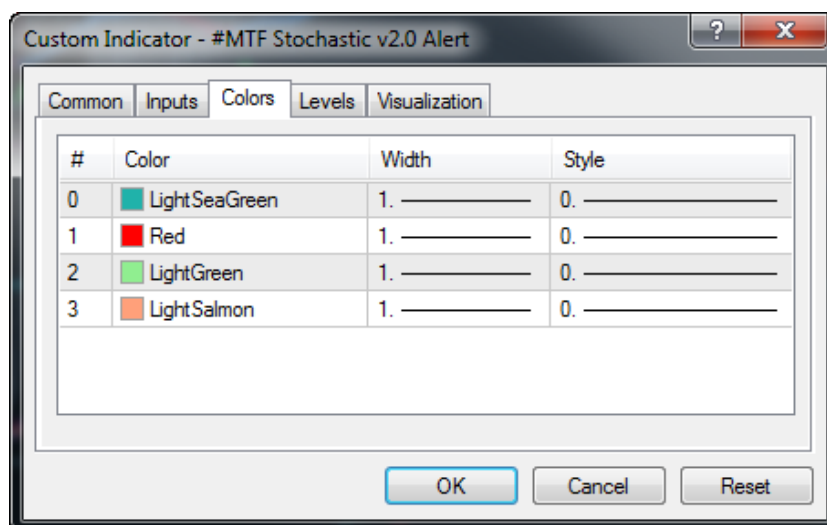
0 – LightSeaGreen

1 – Red

2 – LightGreen

3 – LightSalmon

See the following image:



### Inputs Tab

AlertOn – false

TimeFrame – 30

KPeriod – 9

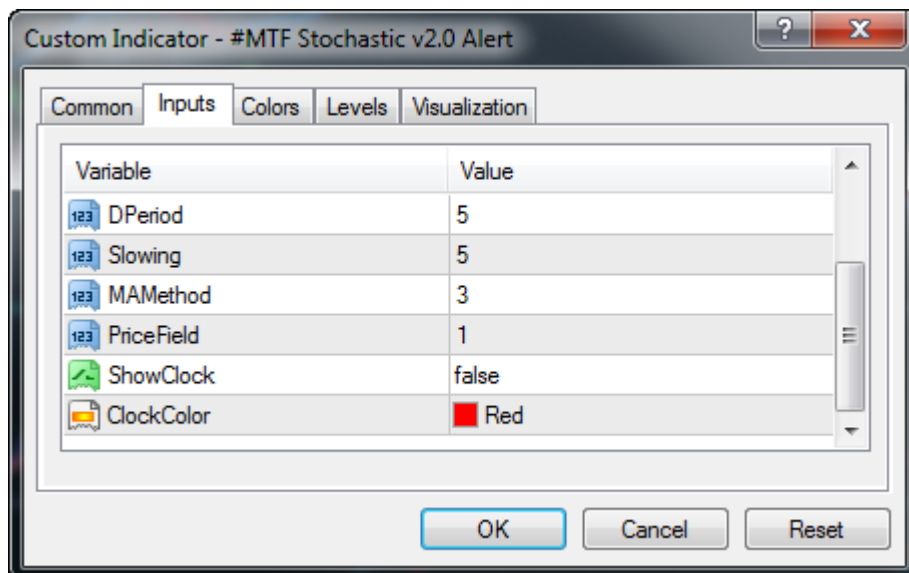
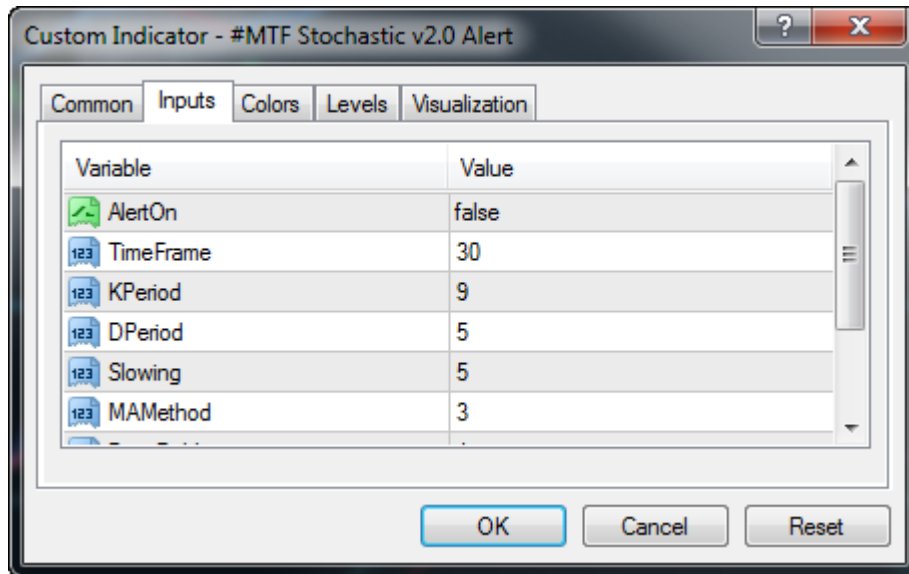
DPeriod – 5

Slowing – 5

MAMethod - 3 (linear weighted)

PriceField - 1 (closing price)

See the following images:

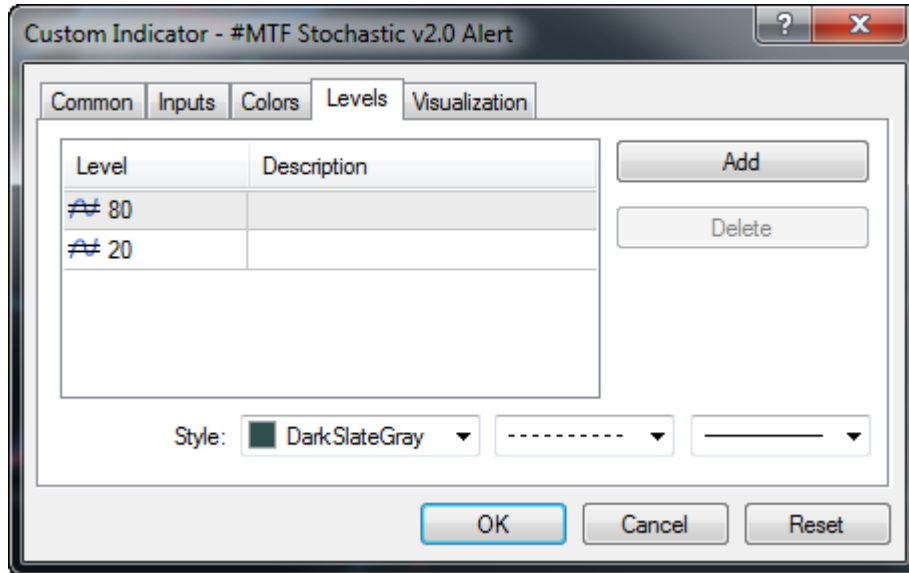


**Levels Tab**

Level – 80 and 20

Style – DarkSlateGray, broken line

See the following image:



**6. H1 #MTF (Multi Time Frame) Stochastic v2.0 Alert - Window 3**

Double click on the #MTF Stochastic v2.0 Alert in your navigator window to apply it in Window 3. The same settings apply as with the 30M Stochastic except for the colors and the timeframe.

**Colors Tab**

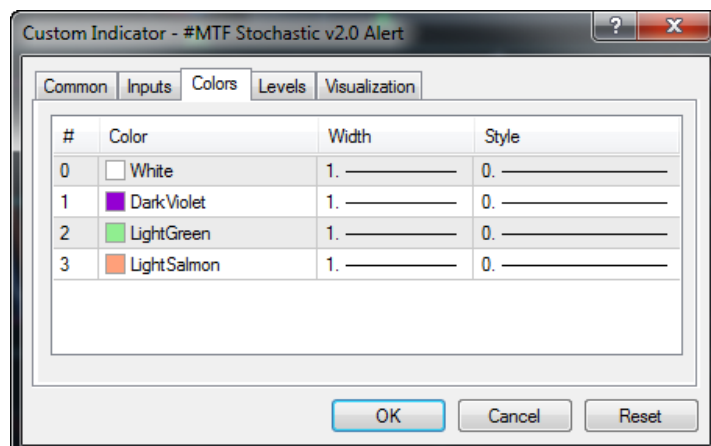
0 – White

1 – DarkViolet

2 – LightGreen

3 – LightSalmon

See the following image:





### Inputs Tab

AlertOn – false

TimeFrame - 60 (1 hour)

KPeriod – 9

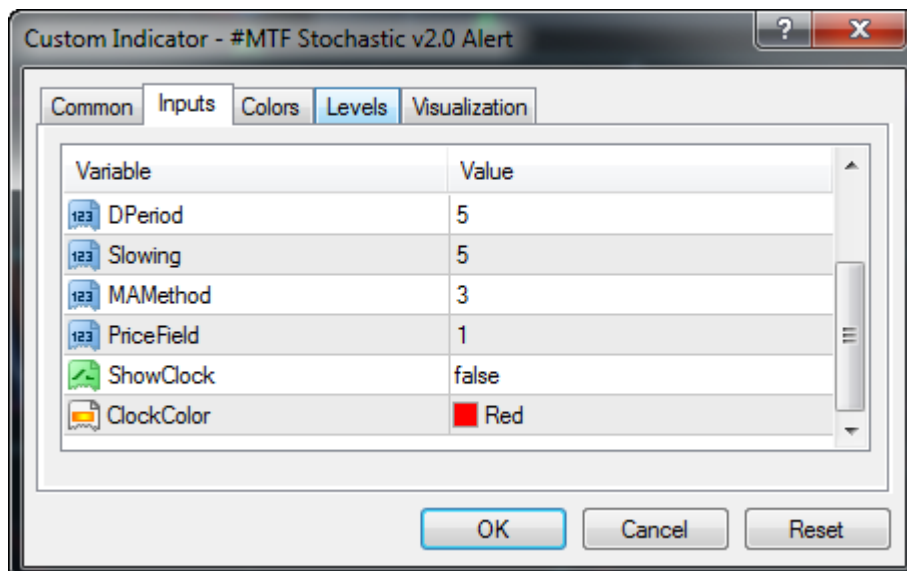
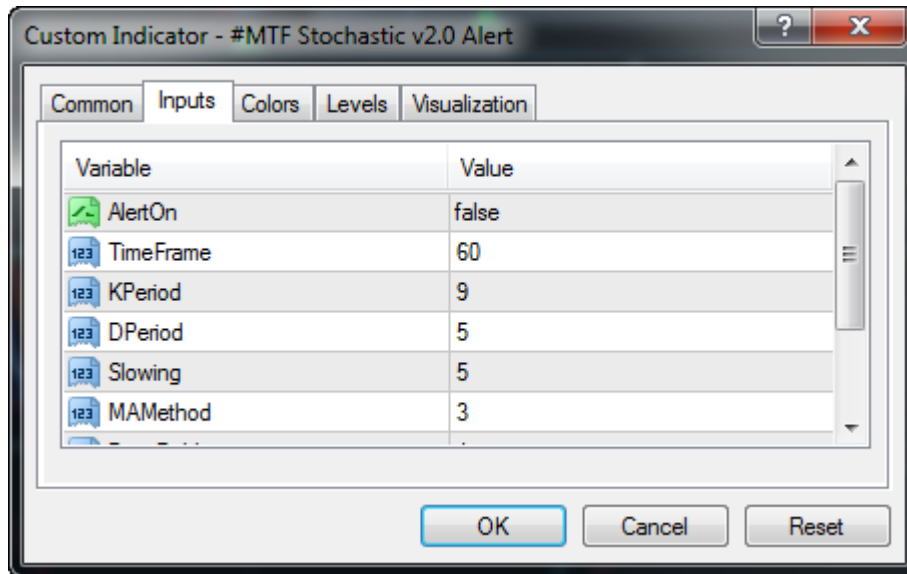
DPeriod – 5

Slowing – 5

MAMethod - 3 (linear weighted)

PriceField - 1 (closing price)

See the following image:

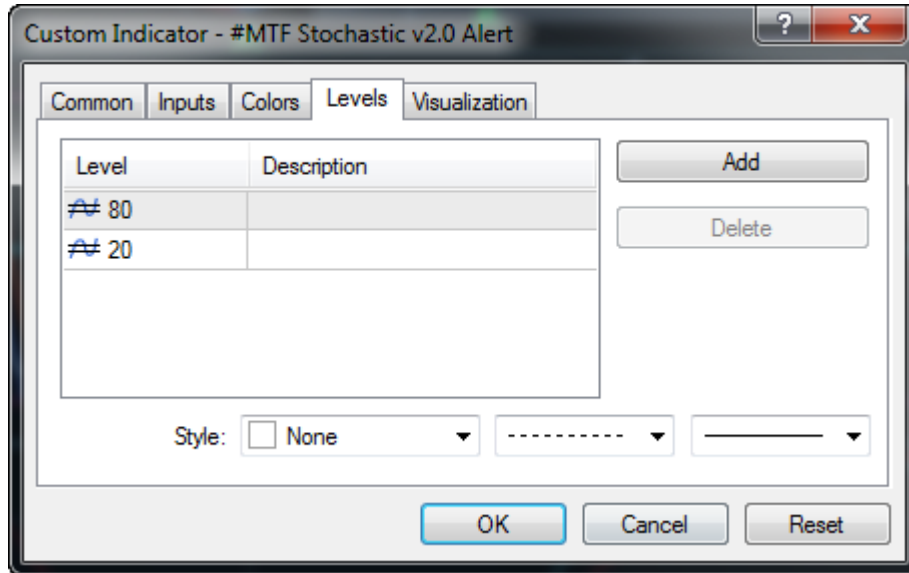


**Levels Tab**

Level – 80 and 20

Style – None, broken line

See the following image:



**6. H4 #MTF (Multi Time Frame) Stochastic v2.0 Alert - Window 3**

Apply the H4 Stochastic by dragging and dropping the #MTF Stochastic v2.0 Alert from your navigator window to your Window 3. The same settings also apply as with the other Stochastics except for the colors and the timeframe.

**Colors Tab**

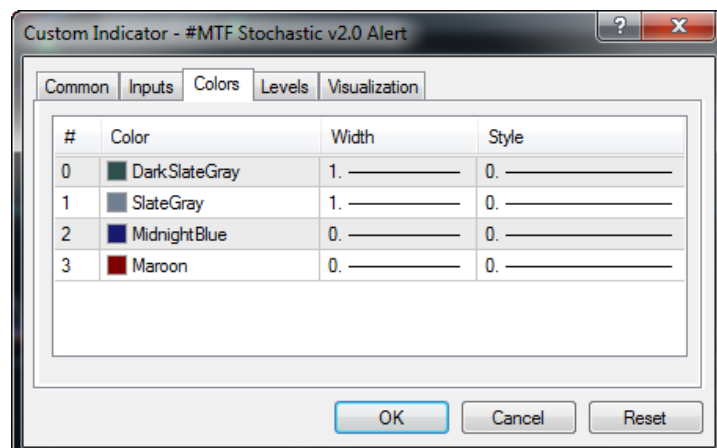
0 - DarkSlate Gray

1 – SlateGray

2 – MidnightBlue

3 – Maroon

See the following image:



### Inputs Tab

AlertOn – false

TimeFrame – 240 (4 hour timeframe)

KPeriod – 9

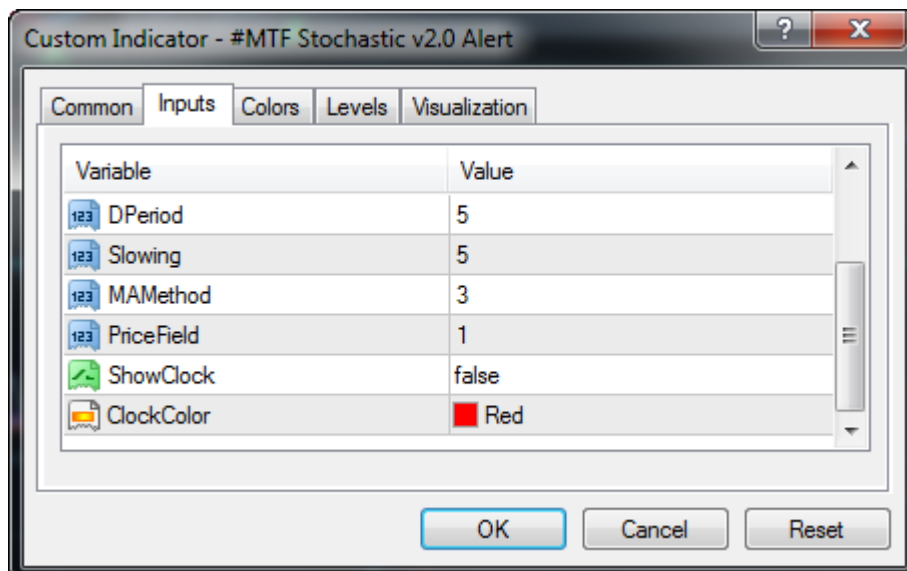
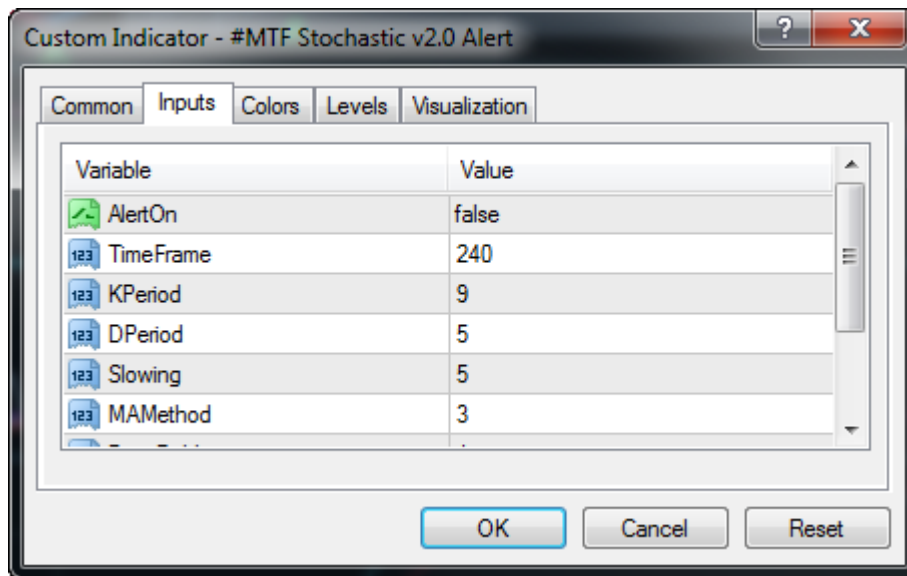
DPeriod – 5

Slowing – 5

MAMethod – 3 (linear weighted)

PriceField – 1 (closing price)

See the following image:

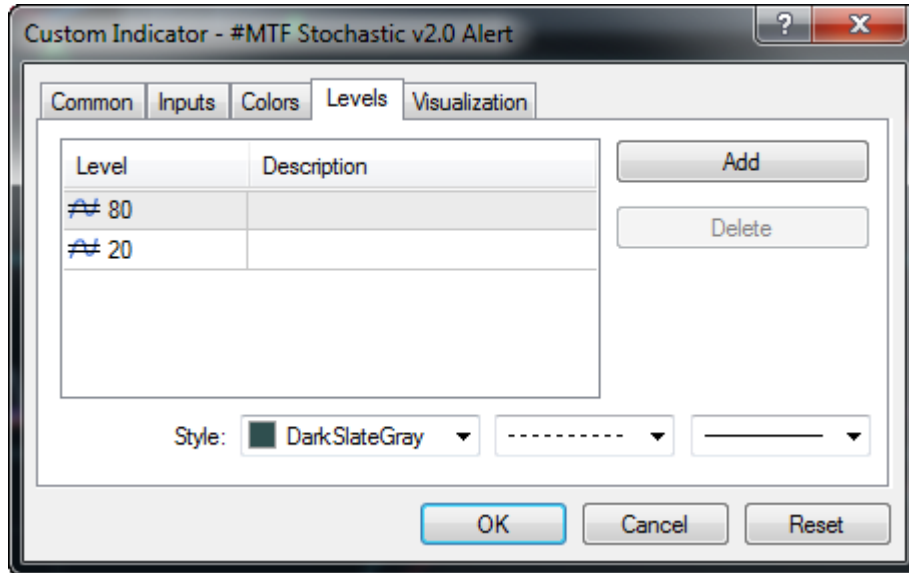


### Levels Tab

Level – 80 and 20

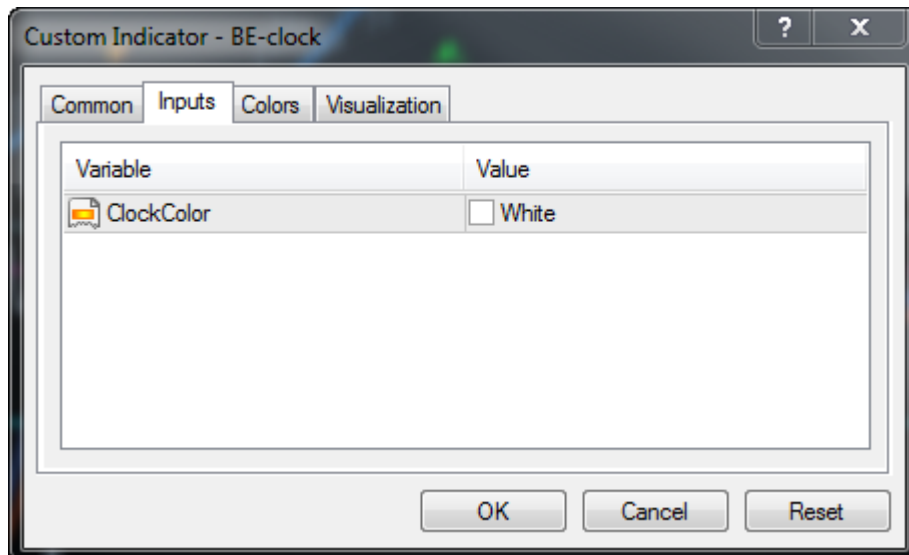
Style – DarkSlateGray, broken line

See the following image:



### 7. BE clock

The BE clock, a custom indicator, can be dragged and dropped to your chart. Make sure that the color is set to white before clicking on the "OK" button. See the following image:



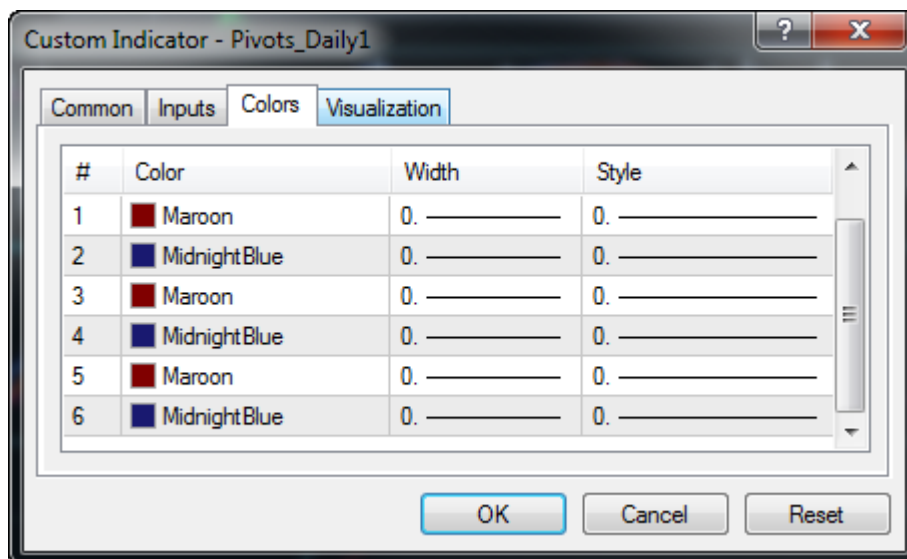
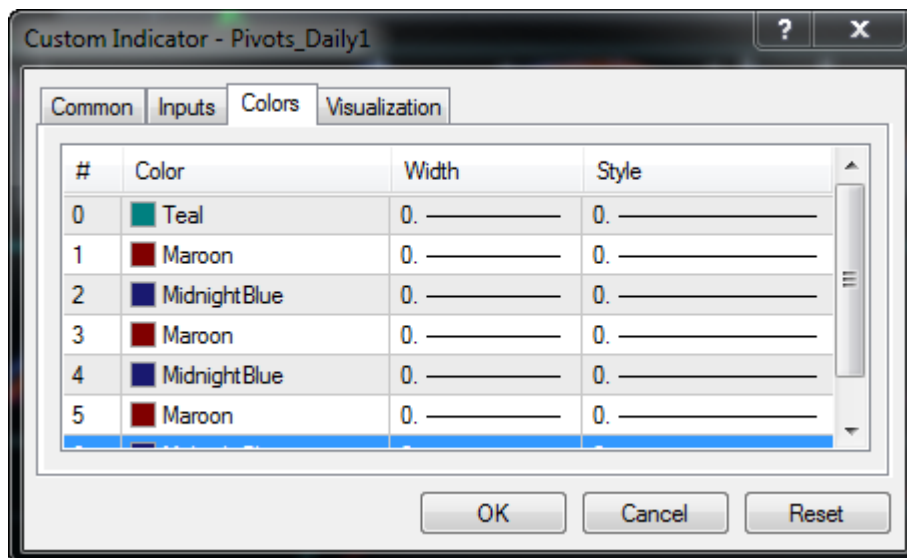
## 8. Pivots\_Daily1

The Pivots\_Daily1 is another custom indicator which you can drag and drop to chart. Set the colors in as written below:

### Colors Tab

- 0 – Teal
- 1 – Maroon
- 2 – MidnightBlue
- 3 – Maroon
- 4 – MidnightBlue
- 5 – Maroon
- 6 – MidnightBlue

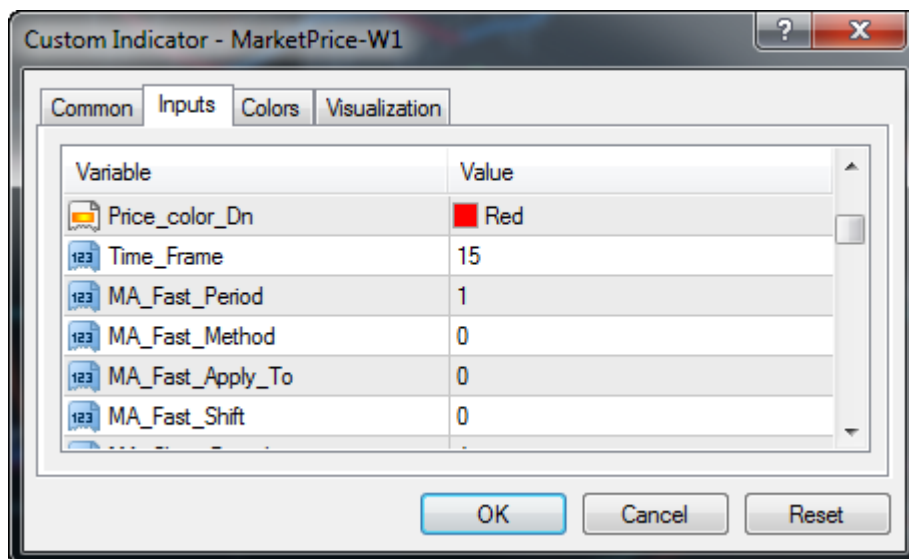
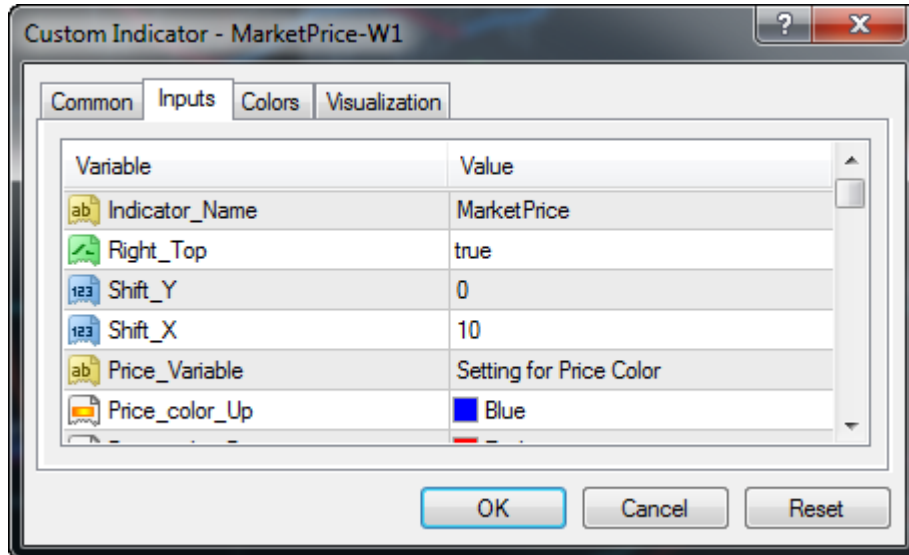
See the following image:

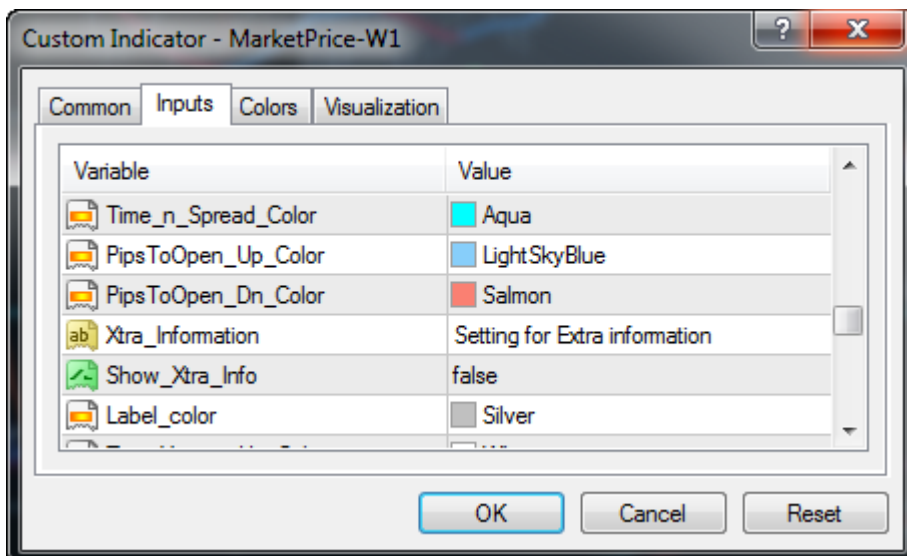
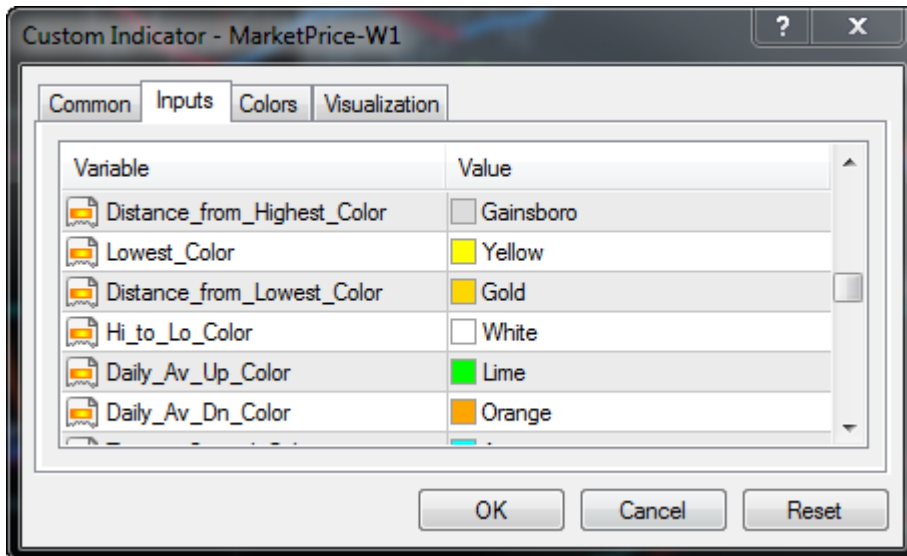
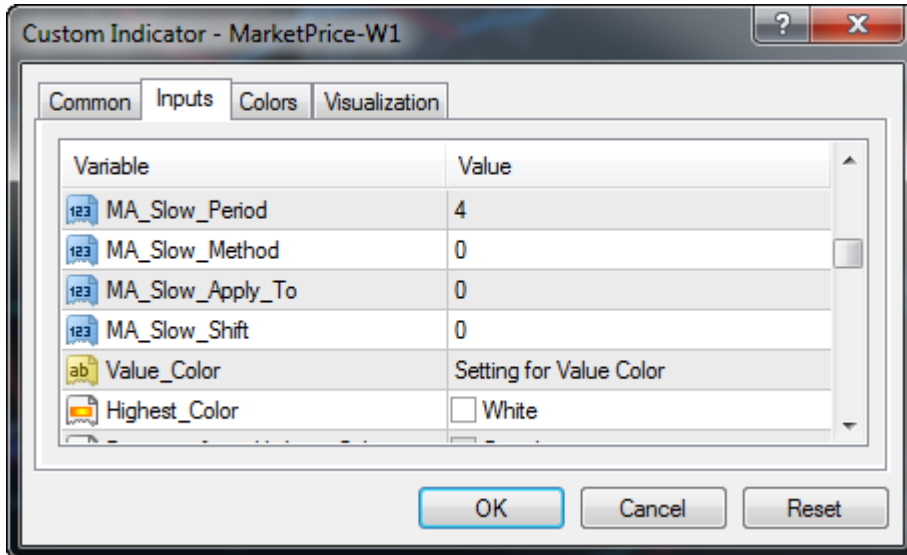


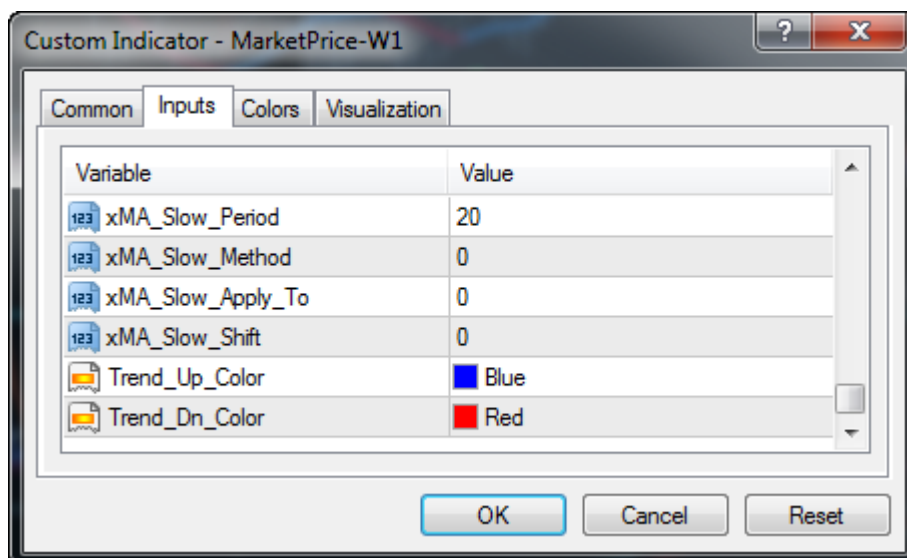
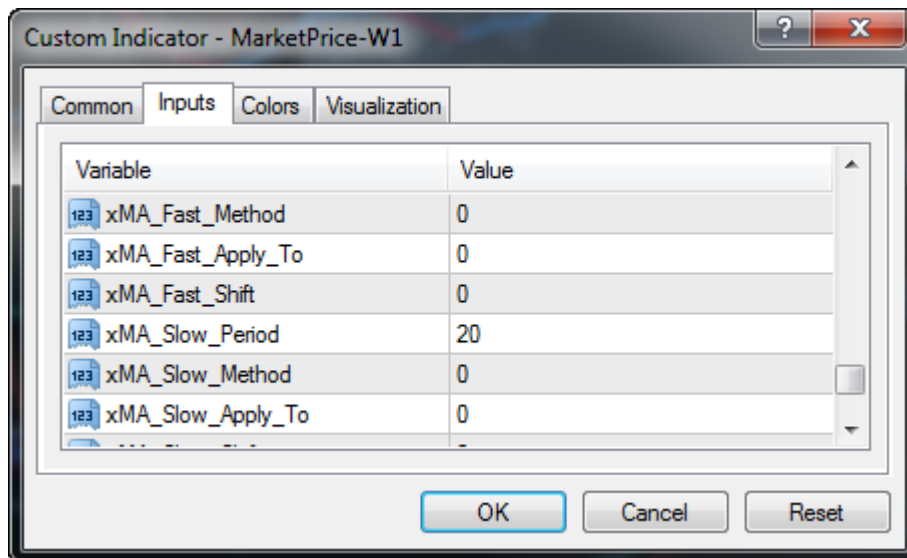
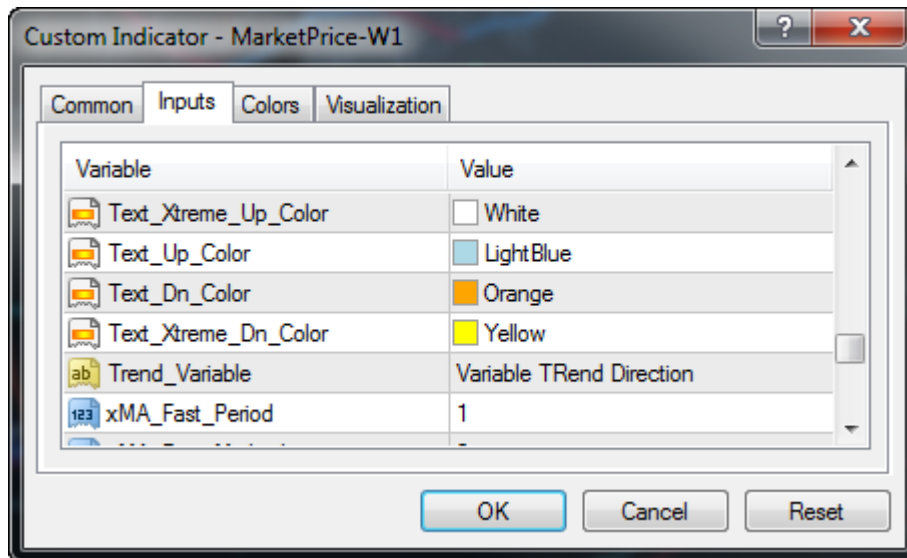
### 9. MarketPrice - Window 1

Add the Market Price to Window 1 by dragging and dropping it. Just click on the “OK” button as there is no need to change anything from there.

See the following images:









## 10. Sessions

Apply the Sessions custom indicator to the chart, then make the necessary changes.

### Inputs Tab

AsiaBegin - 1:00

AsiaEnd - 16:00 (London closing)

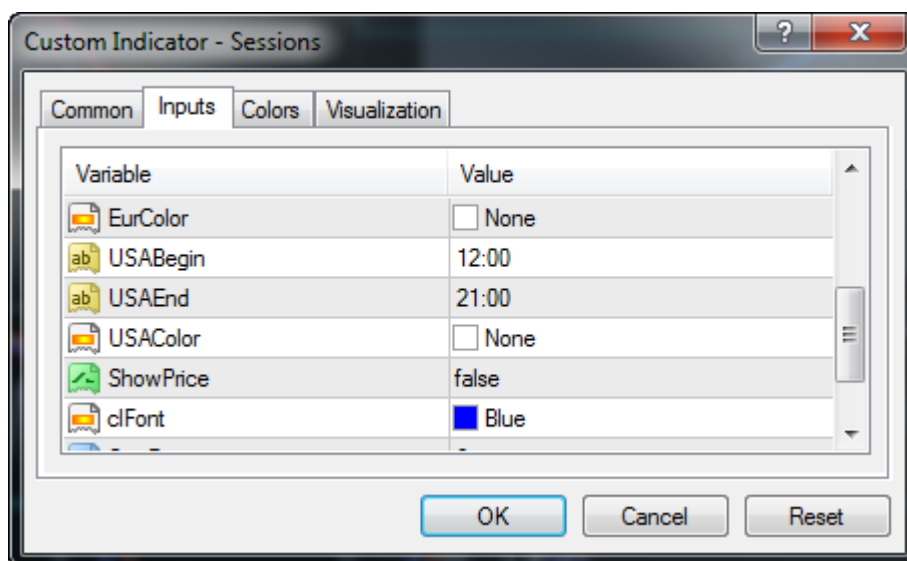
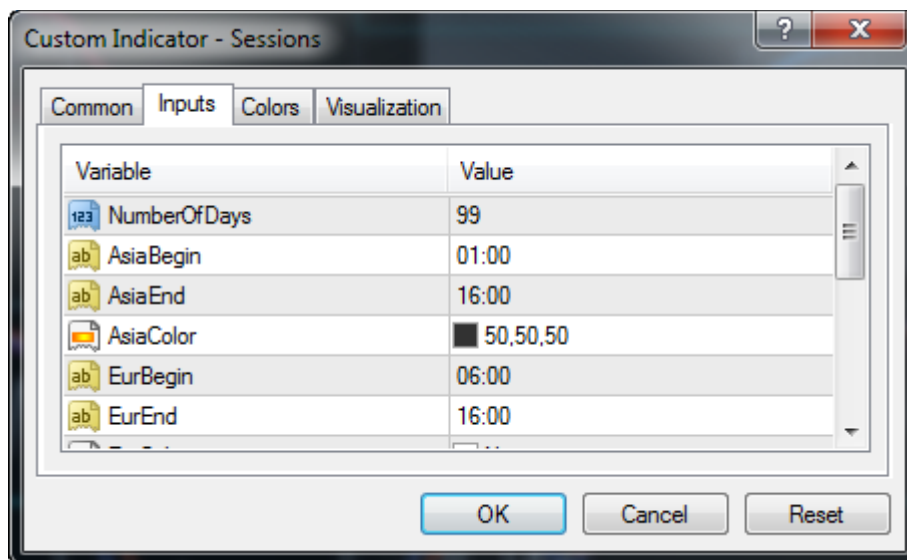
AsiaColor - 50,50,50 (dark gray)

EurColor - 255, 255, 255 (none)

USAColor - 255, 255, 255 (none)

ShowPrice - false

See the following images:



# Sell/Short Trade Rules

Here are the rules to enter short in the market:

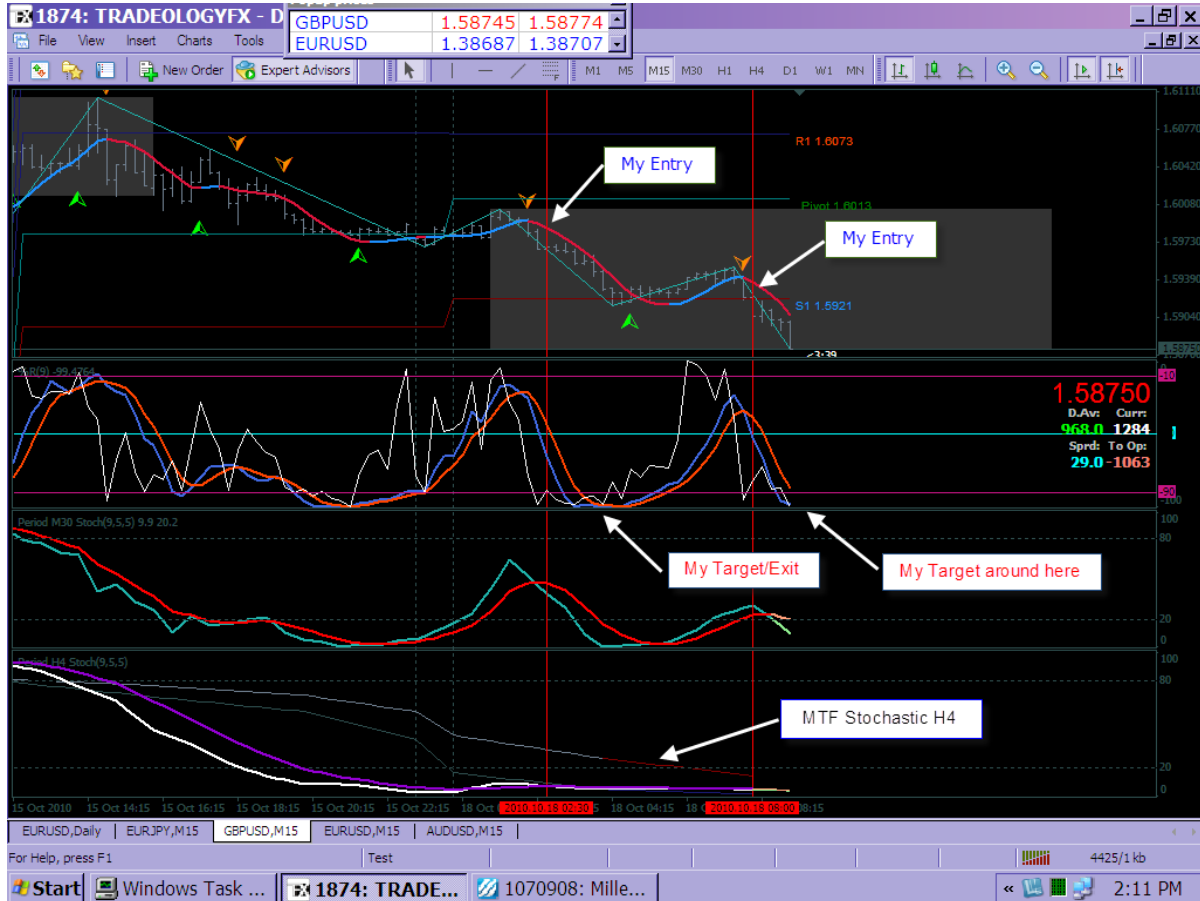
1. Wait for the M15 Stoch Crossing signal (indicated by a fractal symbol, this is just a symbol and not a fractal indicator). You can see that it is in dark orange color and pointing down.
2. The HMA4 must be in the same direction as the Stoch Crossing above it. It becomes crimson in color.
3. There must be a minimum of 3 (three) MTF Stochastic Oscillators, the M15 along with any two of the M30, H1 and H4 time frames, in the same direction with point 1.
4. The Williams' Percent Range Indicator must be close to and above the -90 line. If it is below the -90 line, wait for it to close above the -90 line.
5. If all conditions above are met, then enter the trade at the closing price of the current bar or the opening price of the next bar.
6. Place the stop loss 40 pips away from the entry price.
7. I place a take profit sometimes, usually when I can't monitor the price movement (when I need to leave the monitor). I use the daily pivot support/resistance level to determine this level.
8. Exit the trade if the WPR comes to the overbought area which is below -90.
9. Exit the trade if the M15 Stochastic has crossed into the oversold area (below -90 level) and ready to cross back up.
10. Exit at the Pivot daily support/resistance line.

## **Are there any exceptions to the rules above?**

The only exception is on the Williams' Percent Range. At times when the price moves fast, the WPR will be slightly below -90, and this situation is acceptable in the setup that is generated.

# Short/Sell Trade Examples

## Sell/Short Example 1:



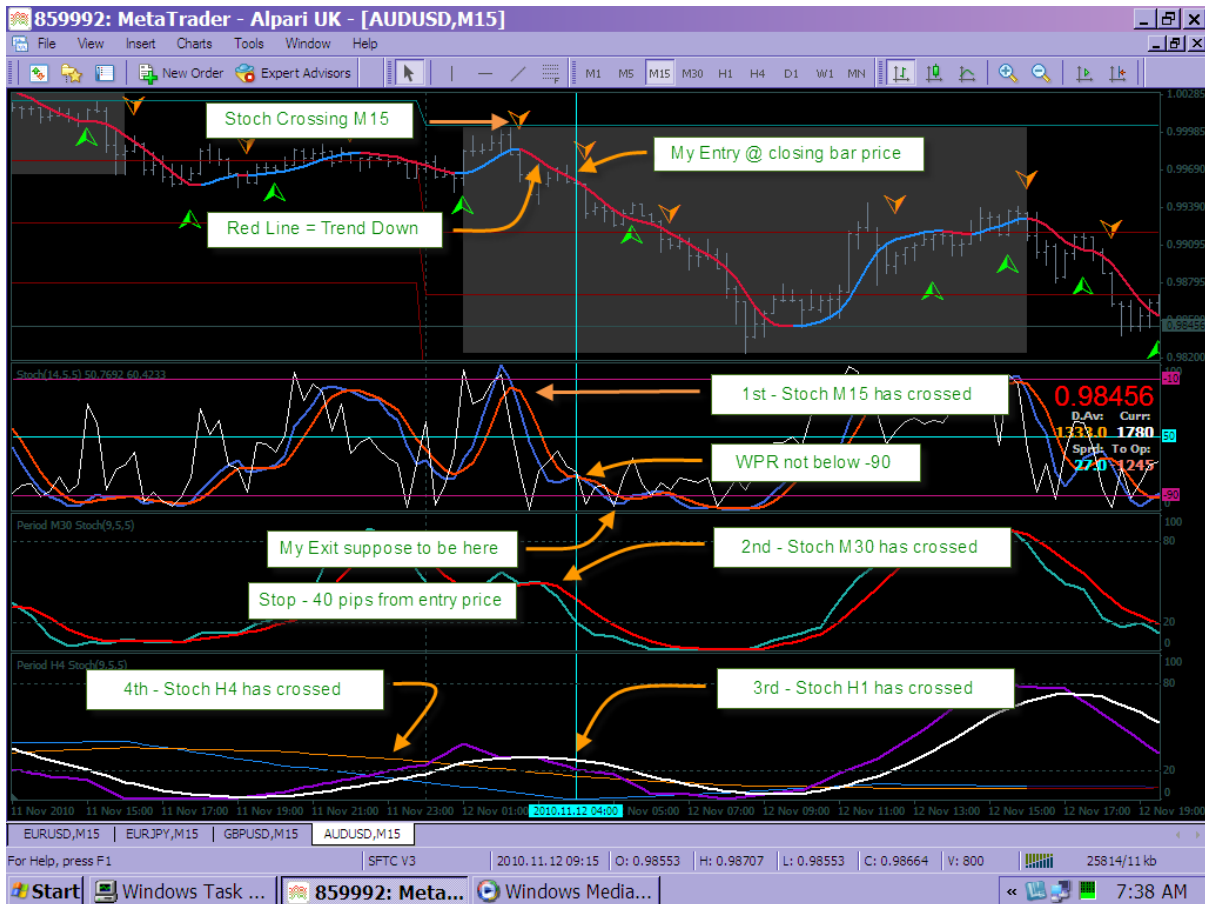
This image shows two sell trades starting at the red vertical lines that I have placed on the chart. In both entries, you can see the M15 Stoch Crossing signal (in dark orange) indicate a downward direction. The HMA4 (crimson) is also in the downward direction in both instances, just like the Stoch Crossing above it.

Also, 3 MTF Stochastic Oscillators have crossed and showed a down trend. You can see that these are on the M15, M30 and the H4 time frames.

In both sell entries, you will notice that the Williams' Percent Range Indicator (WPR) is right above the -90 line. When the WPR dipped below the -90 line, I had to wait for it to go back above the -90 line.

Given the above setup conditions, I entered at the opening price of the next bar. I placed the stop loss 40 pips above the entry price. Later on, I exited the trades as soon as the WPR and the M15 Stochastic came to the oversold zone (below -90).

Sell/Short Example 2:

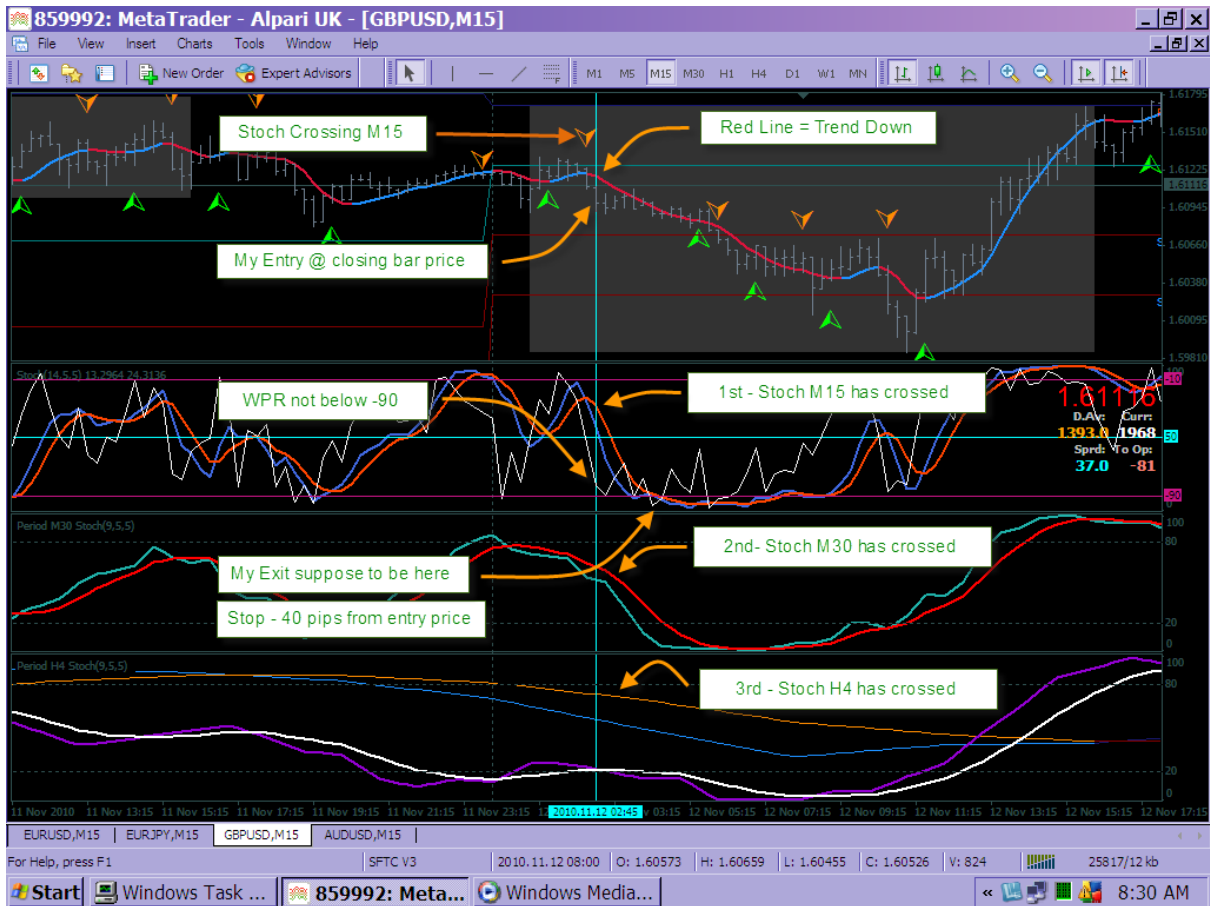


In the image above, the M15 Stoch Crossing signal (in dark orange) is indicating a down trend, and the HMA4 (crimson) is also in the downward direction.

You can see that all 4 MTF Stochastic Oscillators (in the M15, M30, H1 and the H4 time frames) have crossed and are in a downward trend. You can also see that the Williams' Percent Range Indicator (WPR) is not below the -90 line.

Since the conditions are met, I entered in a sell position at the closing bar price. I placed the stop loss 40 pips above the entry price, but then I exited the trade when WPR and the M15 Stochastic came to the oversold zone (below -90).

**Sell/Short Example 3:**

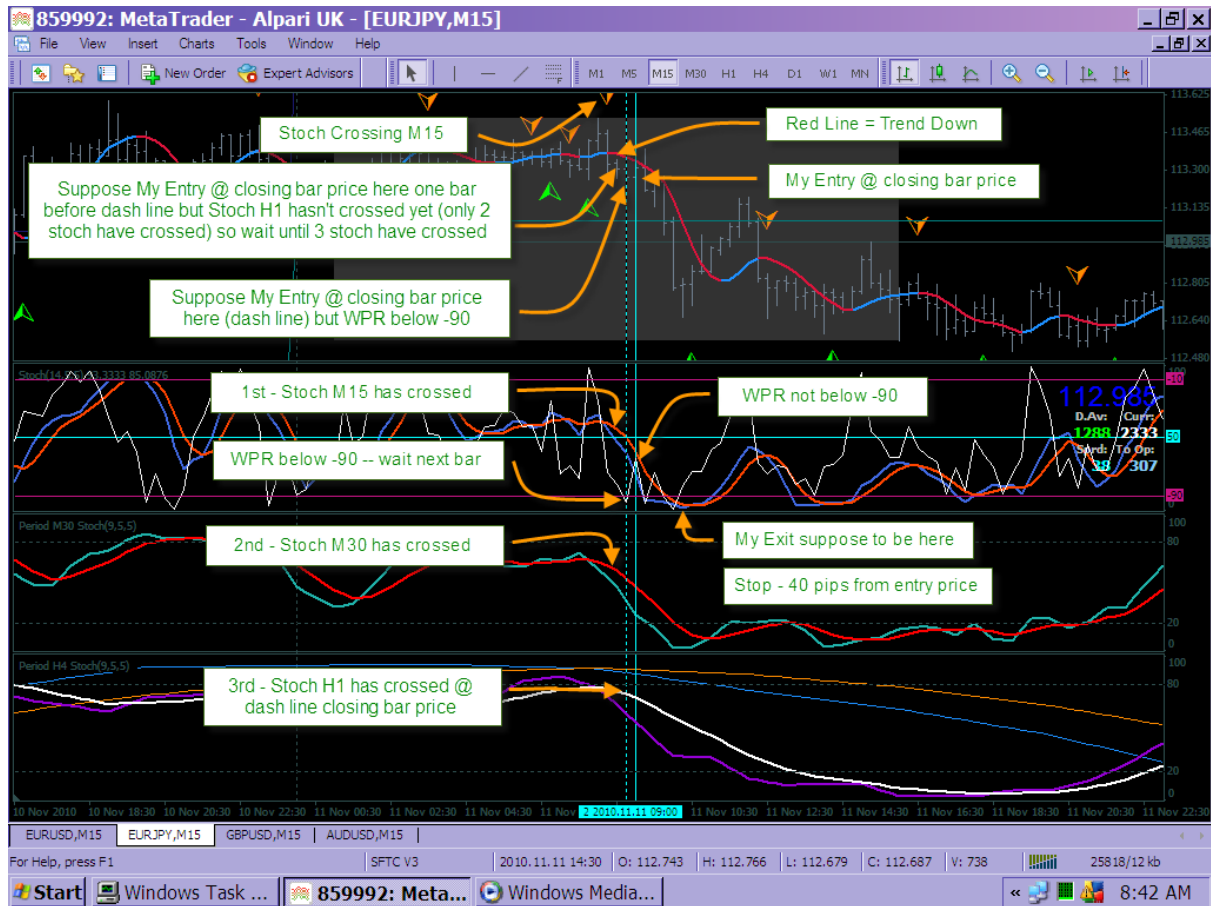


The example above shows that the M15 Stoch Crossing (in dark orange) is signalling a down trend, and the HMA4 (crimson) is also in the downward direction.

This time, there are only 3 MTF Stochastic Oscillators that have crossed and indicated a downward trend (in the M15, M30 and the H4 time frames).

Here, seeing that the Williams' Percent Range Indicator (WPR) is not below the -90 line, I entered in a sell position at the closing bar price. I placed the stop loss 40 pips above the entry price. I exited the trade as soon as the WPR came under the -90 line.

**Sell/Short Example 4:**



In this image, the M15 Stoch Crossing is signalling a downward direction of the trend (dark orange arrow head).

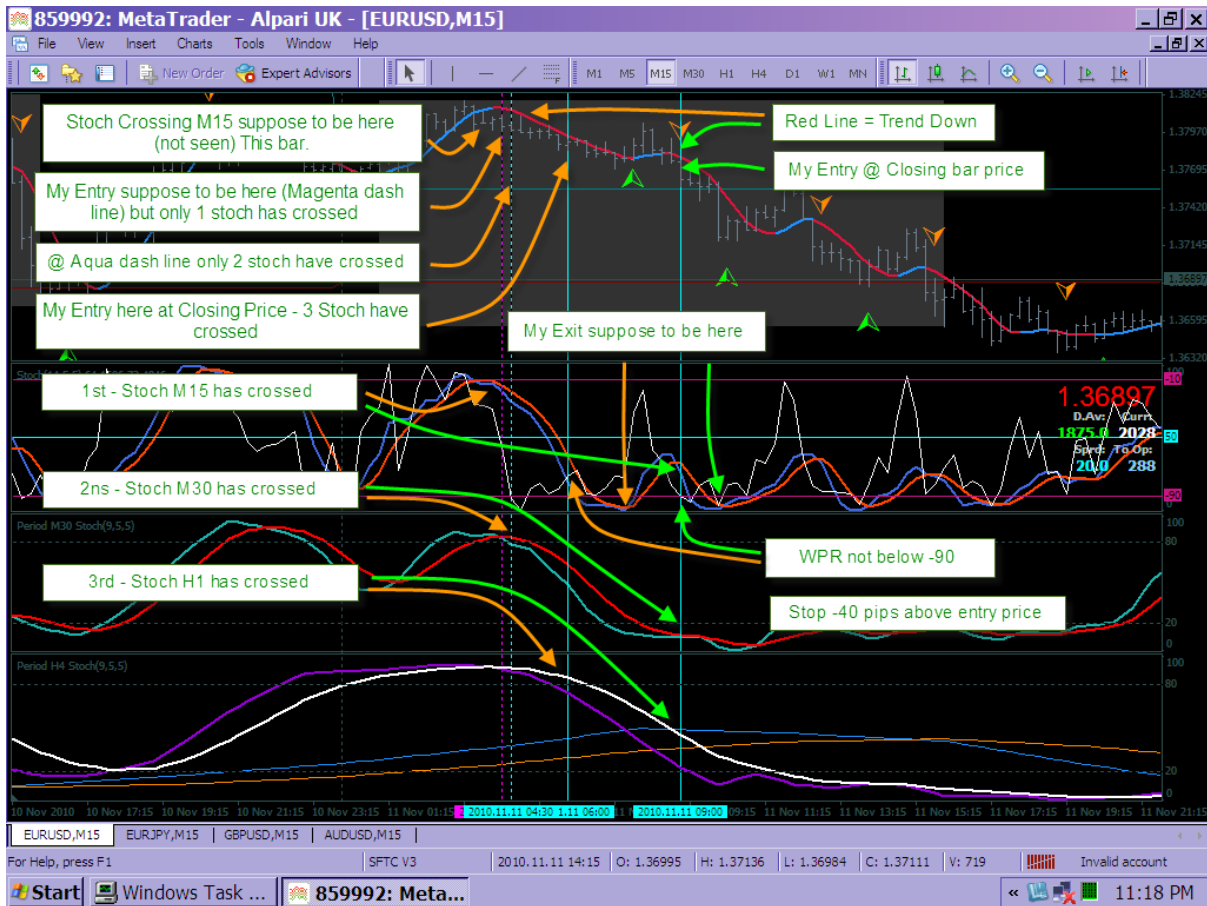
The HMA4 has become crimson in color and is in the same direction as the Stoch Crossing above it.

The 3 MTF Stochastic Oscillators that crossed indicating a downward trend are in the M15, M30, and H1 time frames.

The above conditions were met at the level of the dotted vertical line; however, the Williams' Percent Range Indicator (WPR) was below the -90 line, so I waited for it to close above the -90 line.

As soon as the WPR came above the -90 line, I entered in a sell position at the closing price of the bar. I placed the stop loss 40 pips above the entry price. I then exited the trade because the WPR and the M15 Stochastic came to the oversold zone.

**Sell/Short Example 5:**

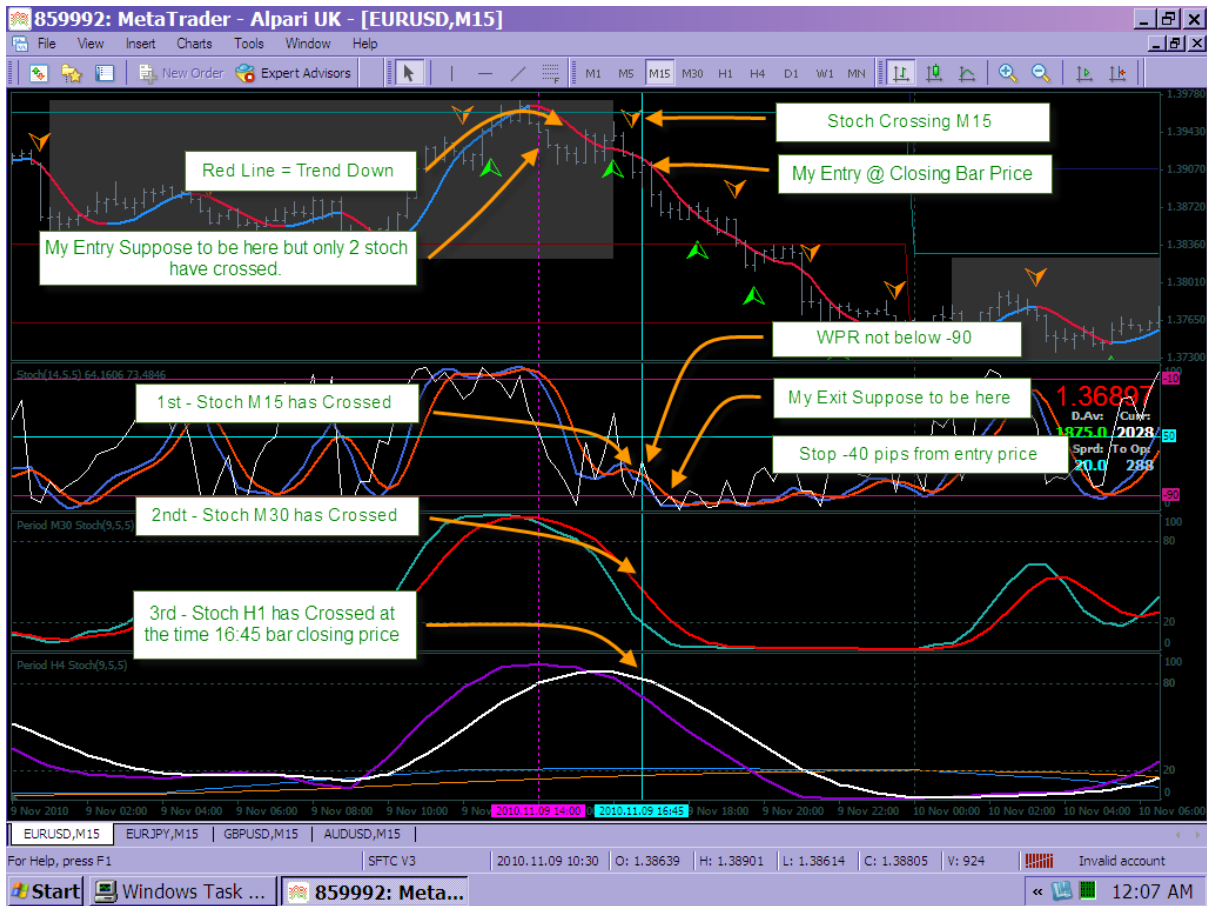


This image shows another example of 2 sell trades. The M15 Stoch Crossing signal is not visible along the level of the broken vertical magenta line as it is above that bar, but it is in the downward direction. The HMA4 turned crimson and is also in a downward trend as the Stoch Crossing above it.

At the dashed vertical aqua line, you'll notice that even if the M15 Stoch Crossing signal and the HMA4 are in the down trend, there were only 2 MTF Stochastic Oscillators that have crossed. So, I waited a little longer for another Stochastic Oscillator to cross. You'll notice that the 3rd one has only crossed by the solid aqua line.

The Williams' Percent Range Indicator is above the -90 line on both instances at the solid aqua lines, so I entered the trade at the closing price of the current bar. I've set my stop loss level at 40 pips above my entry, but I exited when the WPR and the M15 Stochastic came to the oversold (-90) zone.

Sell/Short Example 6:



Along the dashed magenta line, the M15 Stochastic Crossing signal and the HMA4 are both in the down trend, and the WPR is above the -90 line. However, I cannot enter the market just yet as there were only 2 MTF Stochastic Oscillators that crossed then (M15, M30). I let the price alone and waited for all the conditions to be met.

Along the solid aqua line, you'll see that the M15 Stochastic Crossing signal is in dark orange color, the HMA4 is in crimson in color, and there is a minimum of 3 MTF Stochastic Oscillators that crossed. All of these are indicating a downward direction.

The Williams' Percent Range Indicator is already above the -90 line. I opened a sell position at the closing price of the bar and set my stop loss 40 pips above it.

I should look to exit the trade when the WPR and the M15 Stochastic came to the oversold (-90) zone and are about to cross back up.



# Buy/Long Trade Rules

These are the rules to enter a buy trade:

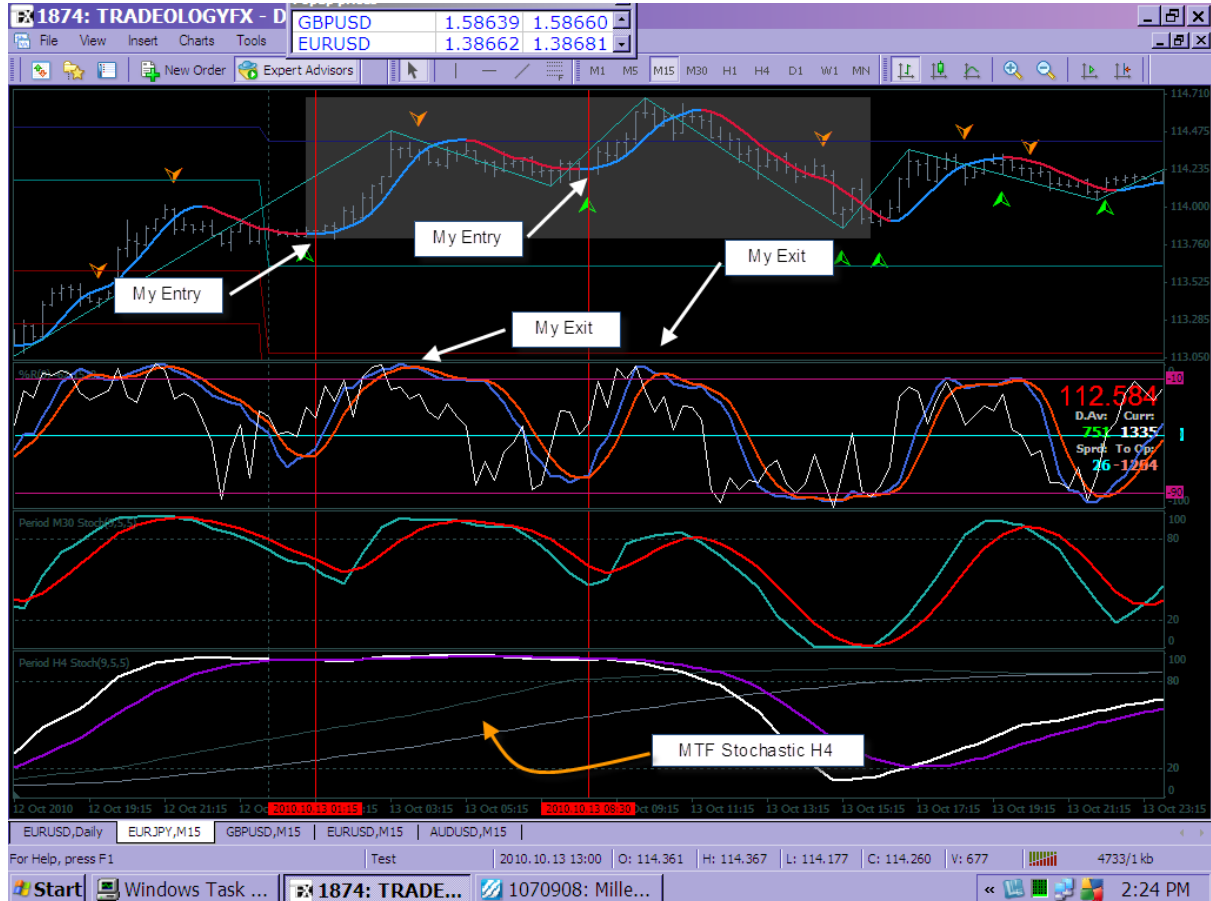
1. Wait for the M15 Stoch Crossing signal (indicated by a fractal symbol, this is just a symbol and not a fractal indicator). You can see that it is in lime color and pointing up.
2. The HMA4 must be in the same direction as the Stoch Crossing below it. It becomes dodgerblue in color.
3. There must be a minimum of 3 (three) MTF Stochastic Oscillators, the M15 along with any two of the M30, H1 and H4 time frames, in the same direction with point 1.
4. The Williams' Percent Range Indicator must be close to and below the -10 line. If it is above the -10 line, wait for it to close below the -10 line.
5. If all conditions above are met, then enter the trade at the closing price of the current bar or the opening price of the next bar.
6. Place the stop loss 40 pips away from the entry price.
7. I place a take profit sometimes, usually when I can't monitor the price movement (when I need to leave the monitor). I use the daily pivot support/resistance line to determine this level.
8. Exit the trade if the WPR comes to the "overbought" zone which is above the -10 level.
9. Exit the trade if the M15 Stochastic has crossed into the overbought area (above the -10 level) and ready to cross back down.
10. Exit at the Pivot daily support/resistance line.

## Are there any exceptions to the rules above?

The only exception is on the Williams' Percent Range. At times when the price moves fast, the WPR will be slightly above -10, but this is acceptable in the setup that is generated.

# Long/Buy Trade Examples

## Buy/Long Example 1:



The image above shows two buy trade examples. Here, you can see that just before or along the red vertical lines, the M15 Stoch Crossing signal is pointing upward and in lime color. The HMA4 is also in the same direction as the Stoch Crossing below it and is now dodgerblue in color.

The minimum of 3 (three) MTF Stochastic Oscillators have crossed and indicate an upward trend. Here, you'll notice that they are in the M15, M30, and H4 time frames.

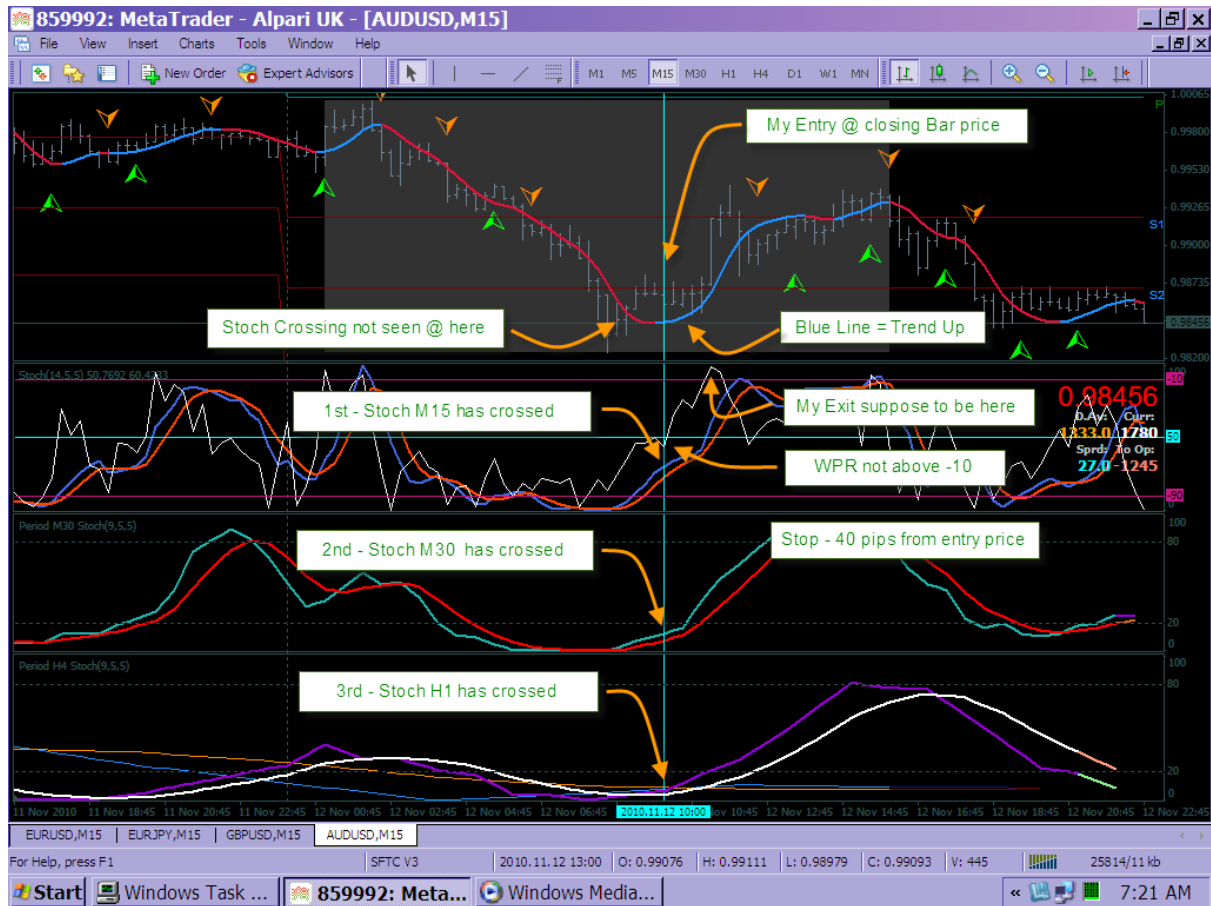
The Williams' Percent Range Indicator is below the -10 line in both instances.

I then entered a buy position at the closing price of the bar along the red vertical line since all conditions above have been met.

You do not see the stop loss but it should be placed 40 pips below the entry price.

I exited the trade because the WPR and the M15 Stochastic crossed into the overbought area (above the -10 level).

Buy/Long Example 2:



This image shows another example of a buy trade. You'll notice that the M15 Stoch Crossing signal is not visible as there isn't enough space, but it should be found below the HMA4 and is lime in color. The HMA4 is going upwards and is now dodgerblue in color.

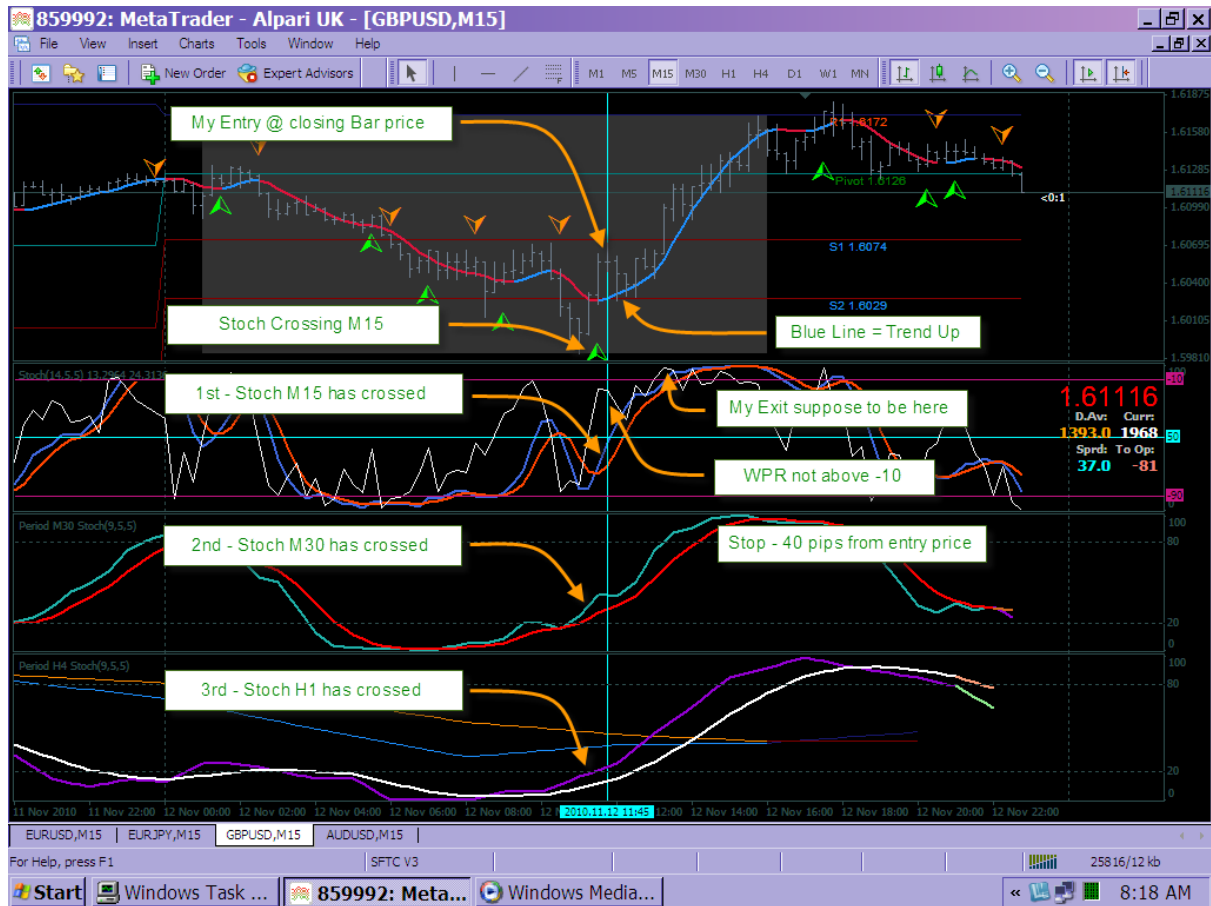
The minimum of 3 (three) MTF Stochastic Oscillators that have crossed are in the M15, M30, and H1 time frames. They all indicate an upward trend.

You will see that the Williams' Percent Range Indicator is below the -10 line.

I looked to enter in a buy position at the closing price of the bar since all conditions above have been met. Then, I placed a stop loss 40 pips below the entry price.

In the image above, you'll notice that I exited the trade because the WPR has closed above the -10 line.

### Buy/Long Example 3:



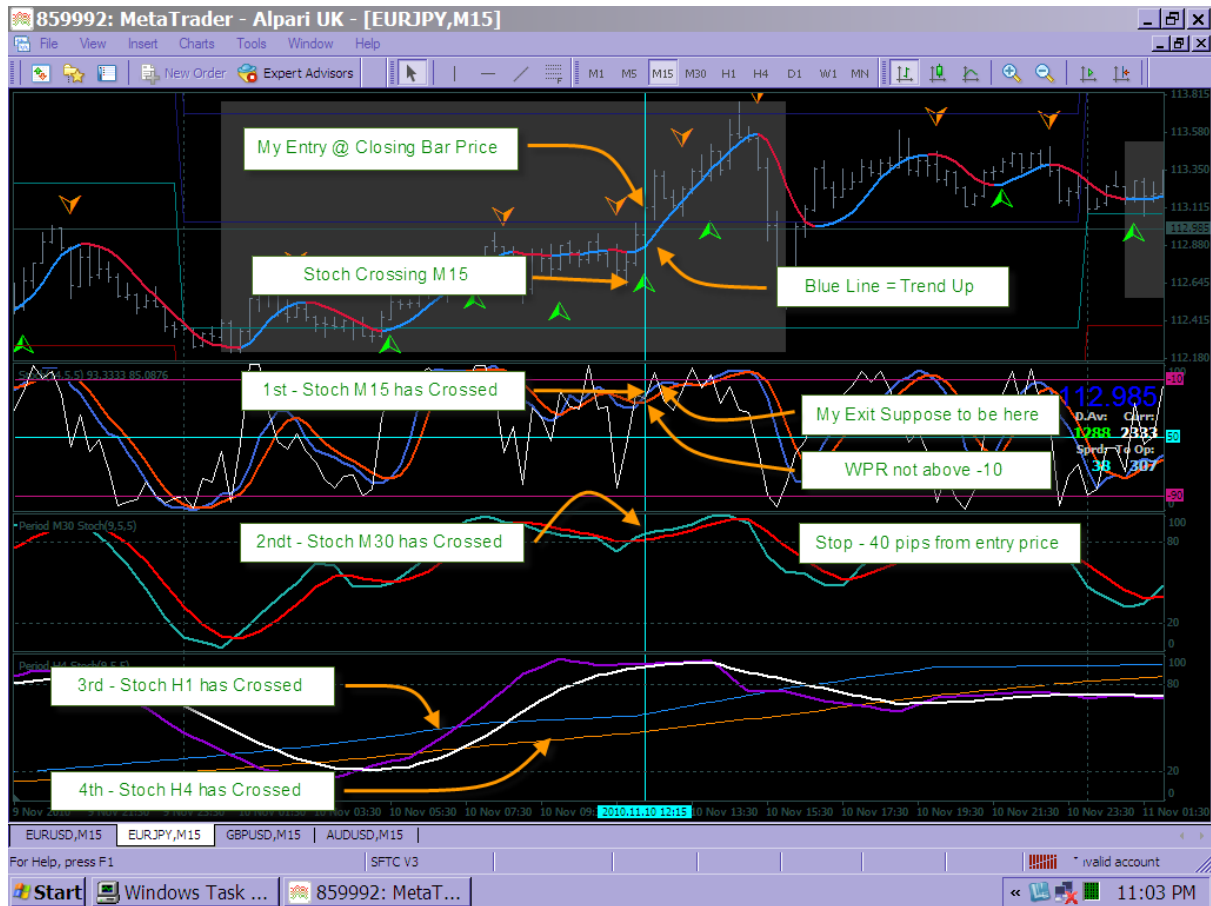
This time, you can see that the M15 Stoch Crossing signal is pointing up and is lime in color. The HMA4 is going upwards too and is now dodgerblue in color.

Also, you will see that the Stochastic Oscillator in the M15, M30, and H1 time frames have crossed showing an upward trend. Then, you will see that the Williams' Percent Range Indicator is below the -10 line.

As soon as all the conditions above have been met, I entered in a buy position at the closing price of the bar. I then placed a stop loss 40 pips below the entry price.

You'll also see that I exited the trade when the WPR and the M15 Stochastic crossed into the overbought area (above the -10 level).

**Buy/Long Example 4:**

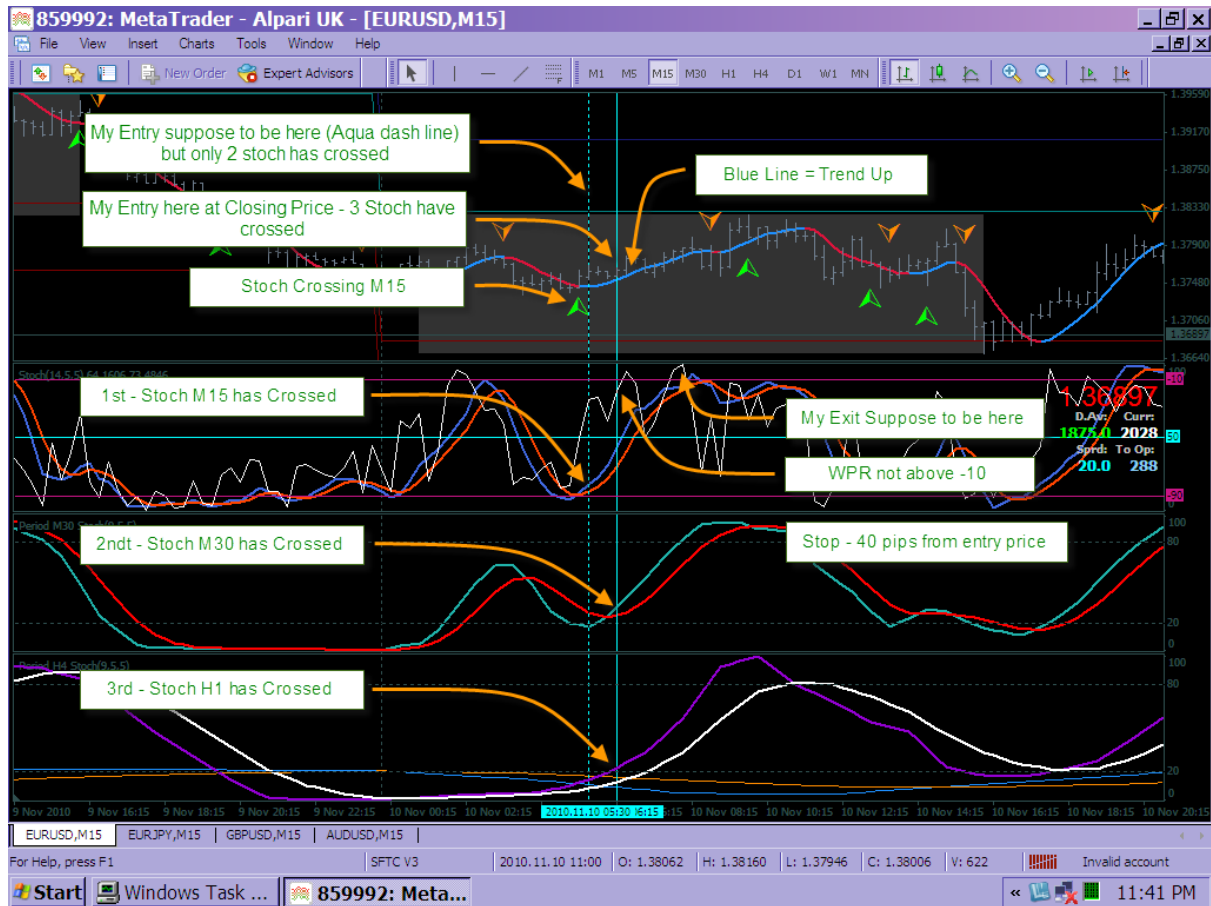


Here's another buy trade example. Along the solid aqua line, the M15 Stoch Crossing signal is pointing up and is lime in color. The HMA4 is also going upwards and is now dodgerblue in color.

In this example, you will see that all of MTF Stochastics (M5, M30, H1, and H4) have crossed and are in an upward trend. You will also see that the Williams' Percent Range Indicator is below the -10 line.

At that point, I entered in a buy position at the bar's closing price. I then placed a stop loss 40 pips below the entry price. But because the WPR has closed above the -10 line, I had to exit my trade.

Buy/Long Example 5:



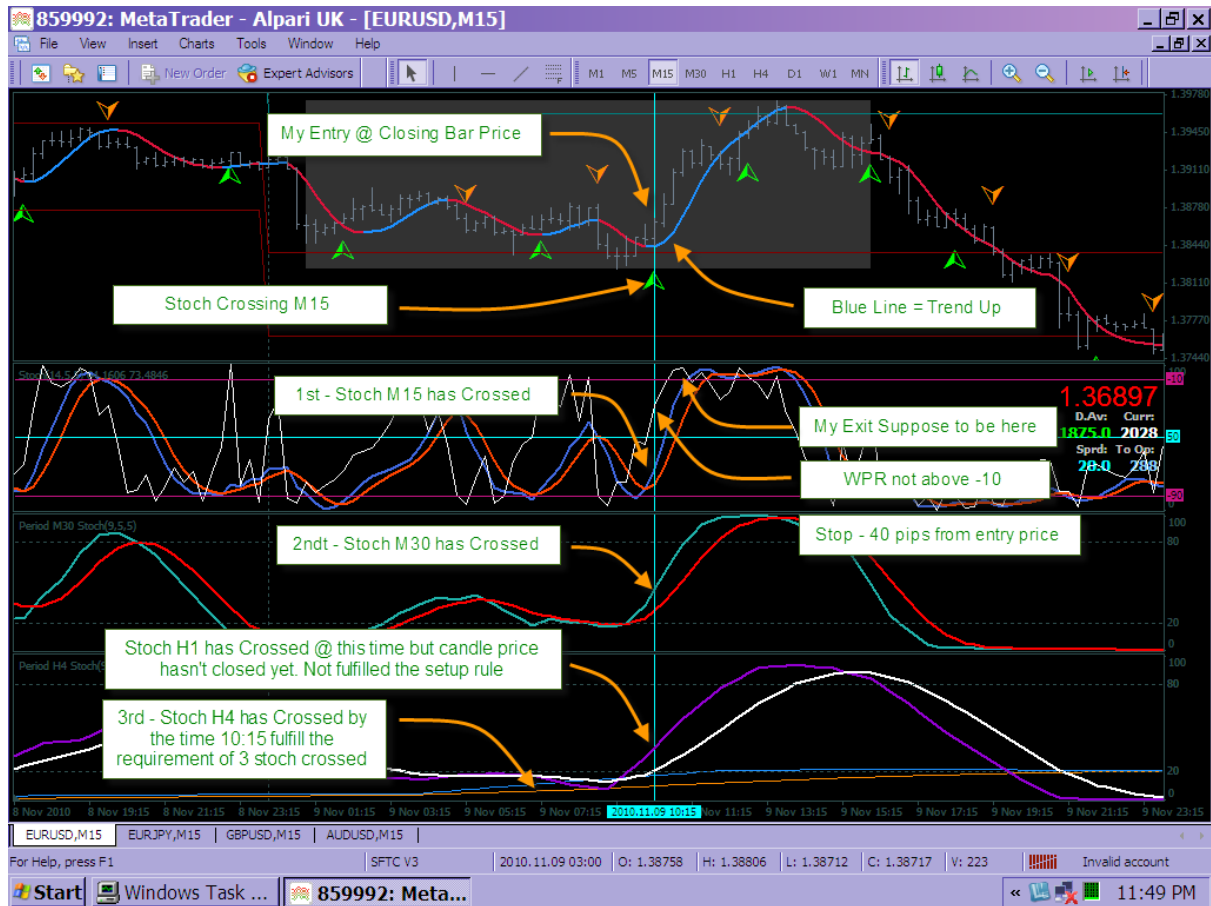
In the image above, you'll notice that I made 2 vertical lines. Along the dashed line, the lime M15 Stoch Crossing signal is pointing up and the dodgerblue HMA4 is going upwards as well.

However, only 2 MTF Stochastics (M15 and H1 time frame) have crossed and indicated an upward trend, so I had to wait for one more to cross. You'll see that the third MTF Stochastic (M30) had only crossed along the solid aqua line.

This time, I'll check the Williams' Percent Range Indicator and see that it is below the -10 line.

Now that all the conditions are met, I entered a buy trade at the closing price of the bar. I then placed a stop loss 40 pips below the entry price. However, since the WPR has closed above the -10 line, I looked to exit the trade.

Buy/Long Example 6:



Here's another good example of a buy trade. Before my entry, you can see that the lime M15 Stoch Crossing signal is pointing up. The dodgerblue HMA4 is also going upwards.

Now, take a look at the 4 MTF Stochastics and notice that all have crossed and are in an uptrend before the close of the bar. Also, you will see that the Williams' Percent Range Indicator is below the -10 line.

I waited for the closing price of the bar and entered long in the market. I always place a stop loss at 40 pips below the entry price.

I finally exited the trade as soon as the WPR has closed above the -10 line.

# Things to Consider

## *Tips/Guidelines/Comments/Notes*

My trading system may look to be a little complex when you first look at it, but once you get familiar with the rules, you will see that it is quite simple.

The best way to learn my system is to set it up on a demo account and practice as if you were trading a live account.

This system has worked well for me and served me very well in the past. It is not designed to bring you massive profits overnight, but rather, it is designed to bring in small consistent profits over an extended period of time.

All the best!

Herry Asaloei