Triple A Method

Introduction

Hello everyone!

I call this method Triple A Method. This method is based upon Bill William’s indicators with a combination of moving averages, and stochastics.

I have back tested this method on GBP/USD from 2001 and the performance is more than 60% in worst case scenario (Without Discretery rules and different filters) and more than 75% in ideal scenario. This system gives an average of more than 700 pips. I have not tested it on other pairs but by observing other pairs this method looks good on them as well, specially pairs like EUR/USD and EUR/CHF. I am live trading this method from December 2006 (after demo trading it for about 2 months) and results are very good.

There are tons of things I didn’t mention in this file because of lack of time. I will frequently post screenshots of different trades I take so that u could understand the system more easily. Questions and comments are welcomed so that we could make this system even more profitable.

Ahsan
Setup

- A 4 Hour Chart of desired currency pair.
- Exponential Moving Average with period 5.
- Simple Moving Average with period 10.
- MA Crossover Alert Indicator with settings 1, 5, 0, 10.
- Awesome Oscillator and Accelerator oscillator.
- Support and resistance indicator or Fractals.
- MTF stochastics with settings 10, 3, 3 with daily Timeframe i.e. 1440.
- Vegas1hr with risk model 4(For other pairs set risk model according to their daily ranges)
- MACD crossover indicator with 8, 17, 9 settings.

Double check all of your indicator settings. Your Chart will look like this:-

Entry Rules:-

There are mainly two types of signals.

1. Main Signals (I call them Pehla Signals).
2. And re-entry Signals. These are also of two types namely Dosra and Tesra Signals. (These have better Win% than main signals but are less in number)

Pehla Signal:-

Buy at the opening of a candle when 5ema crosses above 10sma and both the oscillators (AO & AC) are showing 2 consecutive blue bars. Same logic for a short or sell entry. These signals are most frequent and easy to identify and trade.
Examples:

1. In this example There were two consecutive yellow bars on both oscillators EMA crossed SMA, MACD and stochs are in favor (These are extra confirmations) so we enter short.

2. In this example There are two consecutive yellow bars on both oscillators while MA's aren't crossed so we wait for another candle now when Crossover signal come we enter short. MACD and daily stochs are also in favor.
3. **In this example** There are two consecutive yellow bars on both oscillators while MA's aren't crossed so we wait until MA's cross now when Crossover signal came we enter short. MACD and daily stochs are also in favor.

![Image of trading chart]

**Dosra Signal:**

If the color of the oscillator bars changes to inverse the Pehla Signal without a moving average crossover and then again change in favor of Pehla signal we re-enter. These signals are less in no but have greater win%.

**Examples:** 1. Both the Oscillators changed to yellow while MA's didn't crossed so when oscillators changed back colors to blue a re-entry should have been taken. MACD Crossover happened few bars back while Stochs had also reversed so overall this was a risky trade.

![Image of trading chart]
**Tesra Signal:**

If only one of the oscillator bar changes color inverse of Pehla Signal and then again change in favor of Pehla signal we re-enter.

These signals are least in no and have the greatest win%.

Examples:

1. AC changed its color to blue while AO remained the same so when AC again changed its color to yellow we take another short at 1.9985.
Money Management

I use different money management rules for different pairs. I divide my position size in five parts. Now it’s much simpler

<table>
<thead>
<tr>
<th>Pair</th>
<th>SL</th>
<th>Moving SL</th>
<th>TP 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBP/USD</td>
<td>70 - 80</td>
<td>Tighten your SL after +40 to nearest reasonable S or R</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>After reaching +68.5 to +80 move SL to +5</td>
<td>Or Nearest Vegas line if more than +65</td>
</tr>
<tr>
<td></td>
<td></td>
<td>After BE (+5) start trailing SL by 70 pips till +80 pips are locked.</td>
<td>Or MACD Crossover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>After this move SL according to S&amp;R levels.</td>
<td>Or S &amp; R levels depending on move</td>
</tr>
</tbody>
</table>

Always try to close your position @ at least your stop loss level i.e. +80 pips/lot. If your position stalls at +80 pips and you are not comfortable with the market conditions you can close all of your position so that you gain at least similar to your losses. So after +80 pips you can close your position whenever you want according to your discretion.

MACD crossover can also be used to exit as this proves to be nice exit signal through backtests. It should only be used if profit is more than +100 pips.

Important Rules

1. Don’t exit a trade before +50 pips until it hit its SL level or an opposite signal is there.
2. Don’t wait to get a better entry price if you are not clear about the direction (most of the cases u will try to get about 10 to 20 pips better price this is what I had done in the beginning and missed out some nice moves costing more than those small gains).
3. Don’t enter if daily stochastic are moving against the signal and are just leaving overbought-sold area instead use reverse trade strategy (both the lines should have visited overbought oversold area). You can again enter the trade in original direction if stochs again cross in our original signal direction the next day and price is around our signal’s entry price.
4. If a signal candle is more than 150 pips (From High to Low) your entry should be at the 150 pip mark of the candle or better.
5. If there are only one same color bars on the oscillators, MA’s have crossed and the signal candle is 100-150(From High to Low) you can enter at the next candle open.
6. Breakout Signals are not considered valid instead full confirmation is required in case of using inverse trade strategies.
7. Enter at the opening of the candle if price broke through support or resistance line before buy or sell signal such signals are called breakout signals. These are most difficult to identify incase of Dosra breakout and Tesra breakout Signals as the current bar changes color and you can enter a false signal or miss out a great opportunity. If you do identify a breakout trade and price didn’t touched its TP1 level you can place a limit order at that price.

8. If an MA crossover happens before oscillators change colors enter at first consecutive same color oscillator bars.

Optional Rules:

1. If you are a conservative trader you can only take trades in the direction of daily stochastics. This will improve Win% greatly but this is a bit difficult to trade live because incase of large moves in a day stochastics could turn inverse to that they were before so if you want to use this filter you must first practice this for months. I personally increase my lot size if a signal is in the direction of stochastics than normal lot size.

2. Trade only in the direction of daily Awesome Accelerator.

3. I don’t trade 0:00 candle signals (because its night here in Pakistan) Usually no big moves happen at that time so you can also skip that candle it will save u a lot of time.(My broker uses +2 GMT time so 0:00 stands for 22:00 GMT).

4. When price comes about 10 pips near your SL or TP levels etc remove the limit and manually monitor it to get better price through common technical’s (Technical’s, Price Action etc.).

5. If price shoots up after candle opening enter within 20 pips of signal price or half an hour.

Other Examples
See Rule 3. We had a nice buy signal but daily stocks were moving against our signal and were just leaving the overbought area so we entered short. You can see that I divided my entry price in two halves this is because Pehla signal would've completed at second same color bar. You can wait for your entry price to get better when using inverse trade strategy. This was a losing trade by the way.

See Rule 8. There was an MA crossover while the oscillators didn’t showed blue colors so when oscillators changed to blue we enter long at first same colors.
See Rule 7. Both the Oscillators changed to yellow while MA’s didn’t crossed. Meanwhile Price broke through the resistance level so when oscillators changed back colors to blue we should have taken a re-entry on that candle opening without waiting for it to complete.

See Rule 7. From this chart you get an idea that both the Oscillators changed to yellow while MA’s didn’t crossed. Meanwhile Price broke through the resistance level so when oscillators changed back colors to blue we should have taken a re-entry but what really happened is that AC oscillator bar was yellow first but when price went up and up it changed its color to blue so this looked like a valid Tesra Breakout Signal while it was a false signal one. Such trades would’ve been taken as winners during backtesting so u should be aware of such situations.
See Rule 7 This was also a false Tesra breakout signal but if you have placed a limit order at 1.9950 it would've been filled easily.