Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Risk Management & More Strategy & More Indicators

Lesson 01: Fundamental analysis – forexfactory.com

Lesson 02. Currency Strength Meter

Lesson 03. Pivot

Lesson 04. Trading Journal

Lesson 05. Daily Target

Lesson 06: Demo Account VS Real Account - LIVE Account

Lesson 07. Create Real Account and Deposit and Withdraw

Lesson 08: Risk Reward Ratio + Position Size Calc

Lesson 09: Best TP & SL + Risk Free + Move SL & TP–Trailing SL - Laptop

Lesson 10. Power of Twin Trading

Lesson 11. Trailing Stop – Move SL Automatic – MT4 Laptop

Lesson 12. Relative strength index – Indicator

Lesson 13. MACD

Lesson 14. Moving Average (MA) or (EMA) (MA 50)

Lesson 15. MA Cross 50 and 200

Lesson 16. SAR Strategy

Lesson 17. Partial Profit:

Intermediate Level

EASYWAYLEARN ACADEMY

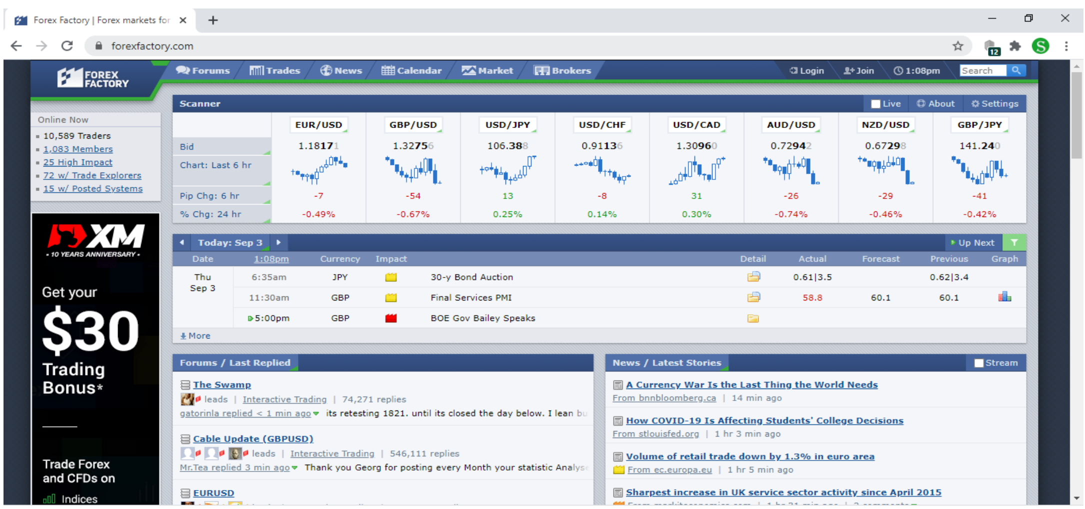
SAHALSOFTWARE – SAHAL UNIVERSITY

Lesson 18: Risk Management

Lesson 19. MMM, Stop Hunt, Slippage, Gaps and System Broker Error.

Lesson 20: Trading Plan

Lesson 01: Fundamental analysis – forexfactory.com



Intermediate Level

EASYWAYLEARN ACADEMY

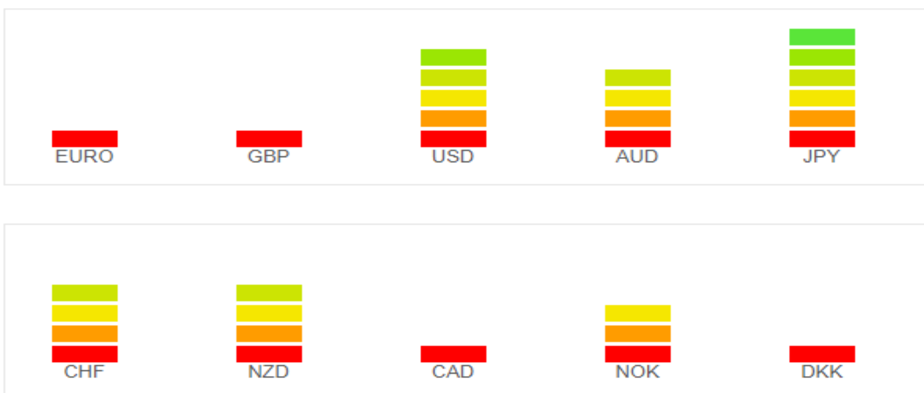
SAHALSOFTWARE – SAHAL UNIVERSITY

Lesson 02. Currency Strength Meter

LiveCharts.co.uk Currency Strength Meter

Our currency strength meter gives you a quick visual guide to which currencies are currently strong, and which ones are weak. The meter measures the strength of all forex cross pairs and applies calculations on them to determine the overall strength for each individual currency. Please see notes below for further details.

Please Share! Like Share Tweet Get MT4 Free



Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

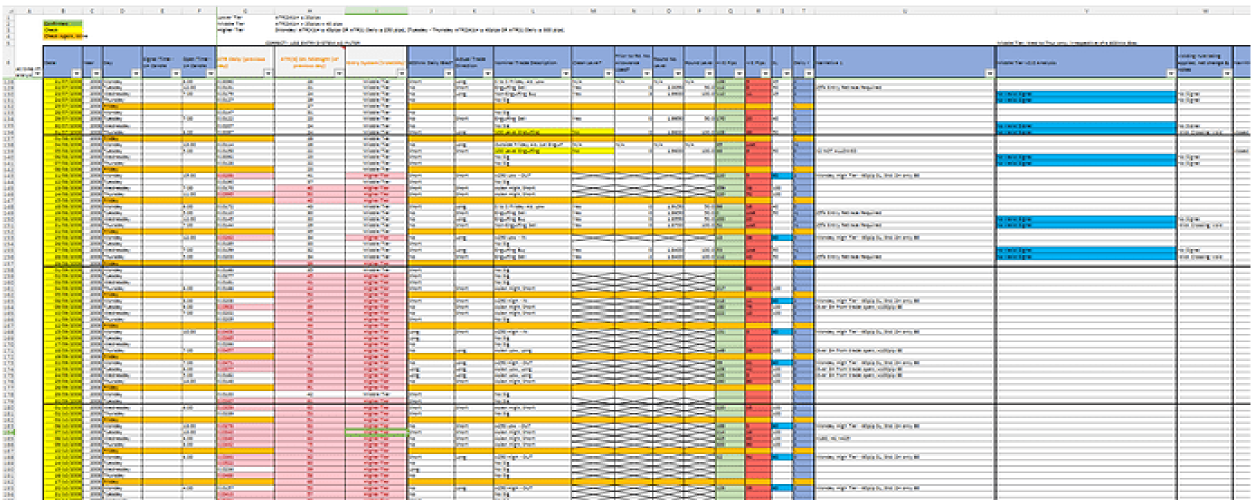
Lesson 03. Pivot

Intermediate Level

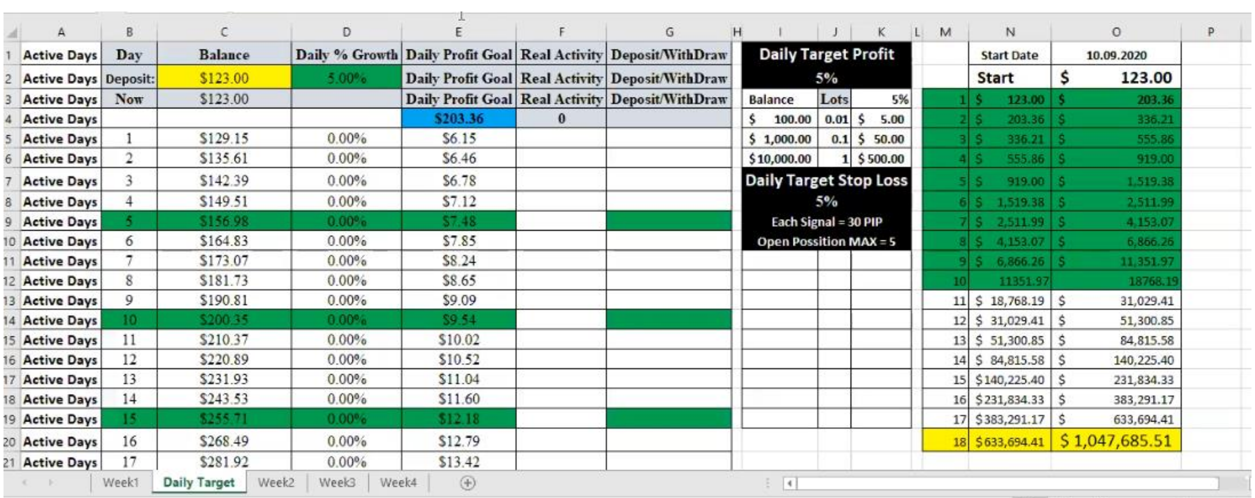
EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Lesson 04. Trading Journal.



Lesson 05. Daily Target



Active Days	Day	Balance	Daily % Growth	Daily Profit Goal	Real Activity	Deposit/WithDraw
Active Days	Deposit:	$123.00	5.00%	Daily Profit Goal	Real Activity	Deposit/WithDraw
Active Days	Now	$123.00		Daily Profit Goal	Real Activity	Deposit/WithDraw
Active Days				$203.36	0	
Active Days	1	$129.15	0.00%	$6.15		
Active Days	2	$135.61	0.00%	$6.46		
Active Days	3	$142.39	0.00%	$6.78		
Active Days	4	$149.51	0.00%	$7.12		
Active Days	5	$156.98	0.00%	$7.48		
Active Days	6	$164.83	0.00%	$7.85		
Active Days	7	$173.07	0.00%	$8.24		
Active Days	8	$181.73	0.00%	$8.65		
Active Days	9	$190.81	0.00%	$9.09		
Active Days	10	$200.35	0.00%	$9.54		
Active Days	11	$210.37	0.00%	$10.02		
Active Days	12	$220.89	0.00%	$10.52		
Active Days	13	$231.93	0.00%	$11.04		
Active Days	14	$243.53	0.00%	$11.60		
Active Days	15	$255.71	0.00%	$12.18		
Active Days	16	$268.49	0.00%	$12.79		
Active Days	17	$281.92	0.00%	$13.42		

Daily Target Profit 5%		
Balance	Lots	5%
$ 100.00	0.01	$ 5.00
$ 1,000.00	0.1	$ 50.00
$10,000.00	1	$ 500.00

Daily Target Stop Loss 5%

Each Signal = 30 PIP

Open Possition MAX = 5

	Start Date	10.09.2020
	Start	$ 123.00
1	$ 123.00	$ 203.36
2	$ 203.36	$ 336.21
3	$ 336.21	$ 555.86
4	$ 555.86	$ 919.00
5	$ 919.00	$ 1,519.38
6	$ 1,519.38	$ 2,511.99
7	$ 2,511.99	$ 4,153.07
8	$ 4,153.07	$ 6,866.26
9	$ 6,866.26	$ 11,351.97
10	11351.97	18768.19
11	$ 18,768.19	$ 31,029.41
12	$ 31,029.41	$ 51,300.85
13	$ 51,300.85	$ 84,815.58
14	$ 84,815.58	$ 140,225.40
15	$140,225.40	$ 231,834.33
16	$231,834.33	$ 383,291.17
17	$383,291.17	$ 633,694.41
18	$633,694.41	$ 1,047,685.51

Week1 | Daily Target | Week2 | Week3 | Week4

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Lesson 06. Demo Account VS Real/Live Account

Actually, there is no difference between **demo**-account and a **real** one. Except one – later you will **trade** with **real** money.

Differences Between a Forex Demo Account and Live Account

One of the best things about forex trading is that it lets you trade with **virtual money** to train and **improve yourself** before investing your hard-earned **real money**. Every forex broker offers demo accounts to their clients and trading with a **forex demo account** is a very wise choice especially for new traders. I always say that.

However, even after a trader gained enough experience and start trading with a **real account**, sometimes things do not go as expected. Undoubtedly the most important reason for this is the human psychology. Because taking your trade decisions with virtual money is always easier than trading with real money due to the fact that you don't really risk anything. So, what is demo account and what exactly is real account? What are the differences between demo account and real account?

What is Forex Demo Account?

Forex demo account is a trial account with a certain amount of simulated/virtual money used by investors who are new to forex trading. Thanks to forex demo accounts, traders can train themselves and they can test their new trading strategies without risking real money. Therefore if you are new to forex trading, I strongly advise you to trade with a demo account for at least few weeks before opening a real forex trading account.

Demo account is identical to a live account in terms of trading platform, instruments and charting. But like I said, main difference is that you are trading with virtual money. Losing your real money always makes you feel bad and this can cause you to take wrong trade decisions by making you overtrade.

This is why traders are usually more successful while trading with demo account. If you want to be successful on your trades, you need to make same decisions while trading with your live account just like the way you are trading with demo account.

You can't learn features of the trading platform without experience or performance of your new trading strategy without testing it. Demo account is a big advantage in this respect because you can train yourself and try a new strategy without risking real money.

Since trading with a **live account** is always far more difficult, I still recommend you to keep your trading volume low during the transition period from demo account to real account. When you are sure that you are getting used to the psychology of trading with real money, you can slowly increase volume of your transactions without risking too much of your capital.

I should warn that trading with demo account for too long may not be a good idea either. Because, it can make you undisciplined once you start trading with real account. You must learn how losing real money makes you feel in order to become a successful forex trader.

What is Forex Live Account?

Forex live account is where you deposit and trade with your real money. Therefore, any loss or profit is real. In order to be able to trade with a live account, you need to validate your account first. Some forex brokers let you deposit money and start trading without validation process, while some others require you to verify your account through uploading ID and address documents before depositing money and trading live.

Other than trading psychology, live trading account differs from a demo account in terms of spreads, execution and slippage. Depending on your account type, you will see different spreads on pairs in live account than demo account. Besides, execution time may be higher in live accounts and you may suffer from slippage.

So, trading conditions that you are going to see in live account may be different than demo account. However, it is always a very good idea to trade with a demo account for a good amount of time before trading with real money if you are a new forex trader or testing a new trading strategy.

Lesson 07: Creating Real Account – Broker

- Create account
- Deposit
- Withdraw
- Security

Lesson 08: Risk Reward Ratio + Position Size Calc

Risk Reward Ration

RISK TO REWARD RATIO SHOULD BE < OR = 1:1

RISK (STOP LOSS)	TO GET (TAKE PROFIT)	RISK TO REWARD RATIO	
35 PIPS	15 PIPS	0.42:1	BAD
35 PIPS	35	1:1	GOOD
35	70	1:2	BETTER

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

2.1 Pip Spread

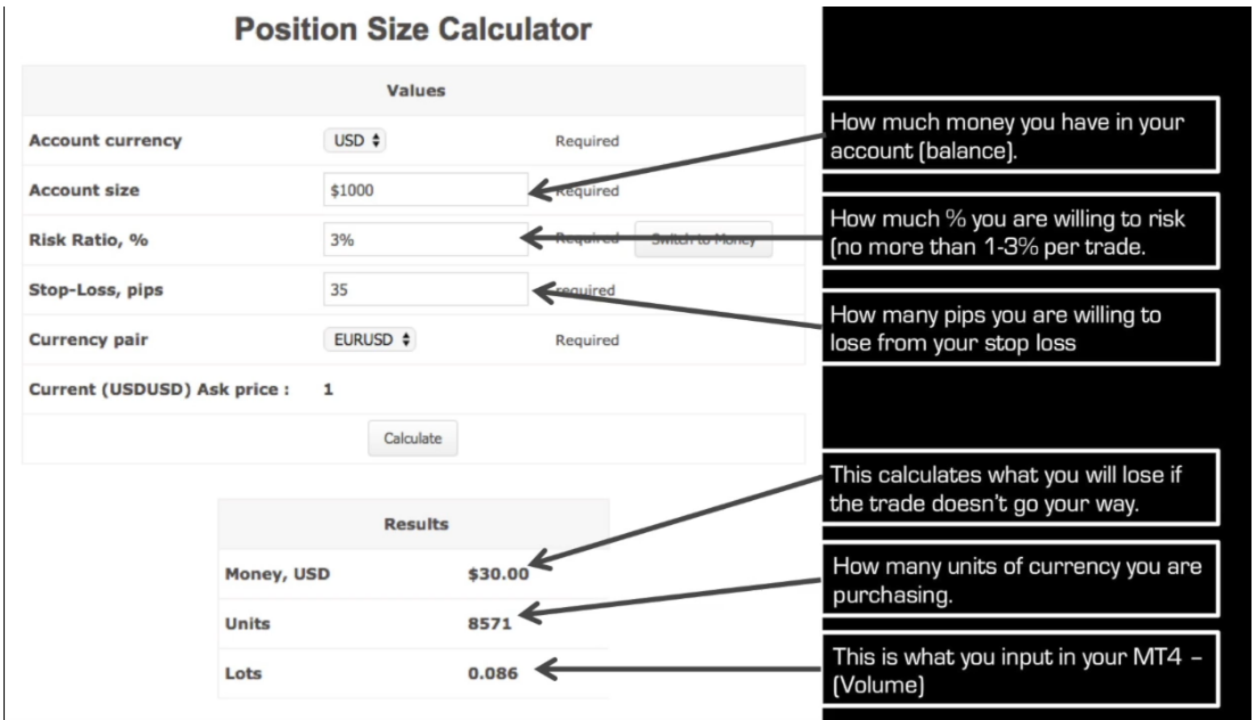
- HIGH SPREADS CAN AFFECT YOUR % RISK.
- IF TRADE GOES AGAINST YOU, YOU LOSE WHAT YOU AGREED TO RISK + SPREAD.

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Position Size Calculator



Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Lesson 09: Where Do I put my Stop Loss and Take Profit? – Best Location TP & SL + Risk Free + Move SL & TP – Trailing SL - using Laptop

Stop-loss and take-profit (SL/TP) management is the most **important** concept of **forex**.
... **Stop loss** and take profit levels are used by **forex** traders to protect them from unnecessary financial risk and also to ensure that profits are taken for successful trades.

------------------------→ **Practical MT4 Laptop → Watch video ←------------------------------------**

Lesson 10. Power of Twin Trading

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

What is Twin Trading in Forex

win trading definition:

Twin trading risks minimization technique is based on opening n number of trades each 1/n sizes. For instance, suppose you open trade to buy a lot of 1 size. But if you open two trades to buy two lots of 0.5 size or four trades of 0.25 size instead of one trade of 1 size then it will be twin trading.

The power of twin trading

The main reason to split the trade into many smaller trades is to reduce the risk of losses as you can set different positions to exit from different trades according to the direction of the progressing market. By the time the trade with the longest exit will close all the trades with shorter exit positions will be closed.

Reasons to use Twin-trading

The main reason behind opening several trades of equal smaller lot sizes instead of one trade of the size of the entire lot is to combat uncertainty in the forex trading. In fact, the forex market is very uncertain. So while making a decision about forex trading, forex traders that use the technique of twin trading are considered smart in this market. Therefore, twin trading is used by the forex traders for getting two things – locking profits and minimizing risks.

Locking profits

When several trades of the lots of equal sizes are opened with different positions to exit and 10 pips are set for each trade the exit position for every trade will be 10 pips more than the previous one. Now you can lock the profit of the exit position of 10 pips even if the market reverses after moving to 20 pips position. Similarly, you will lock the profits of 10 pips position and the position of 20 pips even if the market reverses even after moving up to 20 pips. In this way, on each trade, you can get some profit by the time trade moves to your last exit position.

Management of risks

The management of risk is the best thing in twin-trading. You can cover up the losses of the positions that are still open with the help of the profits you have locked for the positions that have been closed by that time. For instance, you have opened 3 trades of lots of 0.33 sizes each and opted for exit positions at 10 pips, 20 pips, and 30 pips as your stop loss position. Now when the market will move to the 30 pips your first and second exit positions will be closed and their profit will be locked. You can use that profit to cover up the losses if you lose the trade at 30 pips stop loss position.

Thus twin-trading in forex helps in **locking profits** and **reducing the risk of losses**

Lesson 11. Trailing Stop – Move SL Automatic – MT4 Laptop

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Intermediate Level

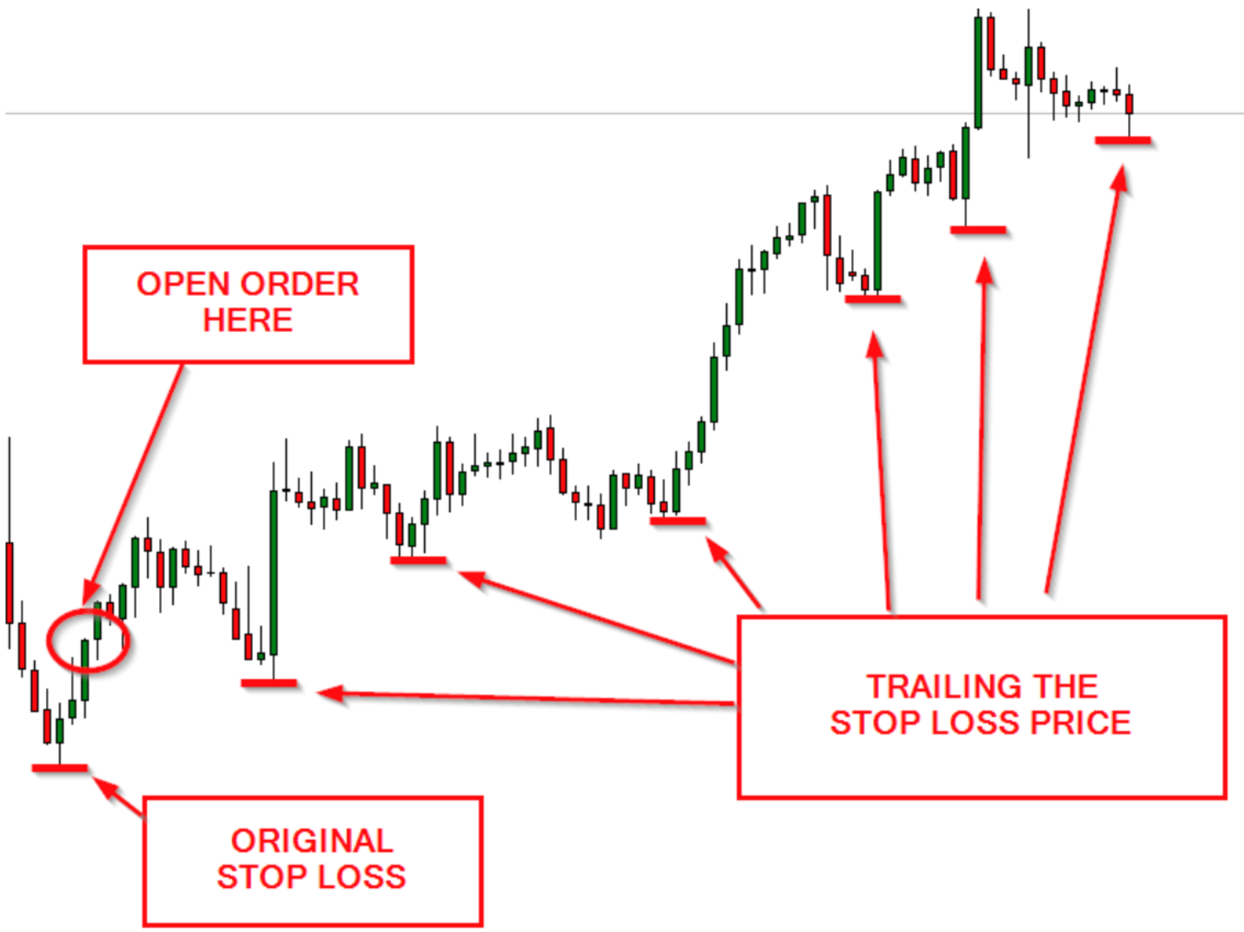
EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Intermediate Level

EASYWAYLEARN ACADEMY

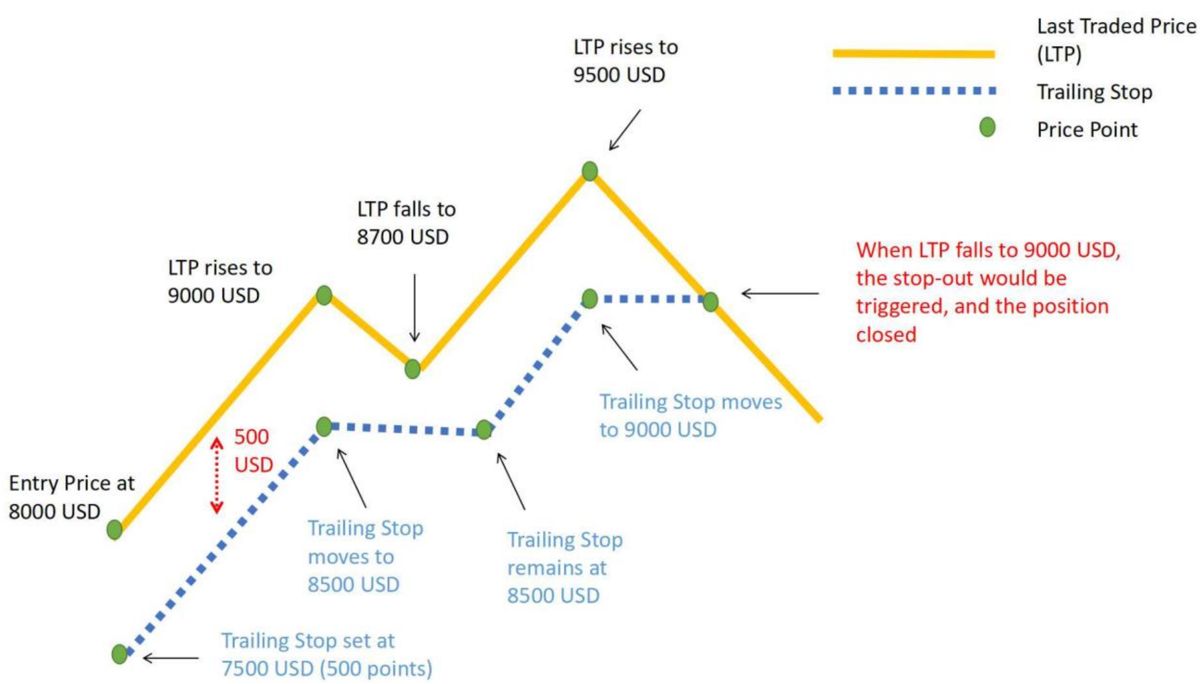
SAHALSOFTWARE – SAHAL UNIVERSITY



Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY



Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Lesson 12. Relative strength index - Indicator

The **relative strength index** (**RSI**) is a technical indicator used in the analysis of financial markets. It is intended to chart the current and historical strength or weakness of a stock or market based on the closing prices of a recent trading period. The indicator should not be confused with relative strength.

The RSI is classified as a **momentum** oscillator, measuring the velocity and magnitude of price movements. Momentum is the rate of the rise or fall in price. The RSI computes momentum as the ratio of higher closes to lower closes: stocks which have had more or stronger positive changes have a higher RSI than stocks which have had more or stronger negative changes.

The RSI is most typically used on a 14-day timeframe, measured on a scale **from 0 to 100**, with **high and low levels marked at 70 and 30,** respectively. Shorter or longer timeframes are used for alternately shorter or longer outlooks. More extreme high and low **levels—80 and 20, or 90 and 10—occur less frequently but indicate stronger momentum.**

The relative strength index was developed by **J. Welles Wilder** and published in a **1978** book, *New Concepts in Technical Trading Systems*, and in *Commodities* magazine (now *Futures* magazine) in the June 1978 issue.[1] It has become one of the most popular oscillator indices.[2]

The RSI provides signals that tell investors to buy when the security or currency is oversold and to sell when it is overbought. [3]

RSI with recommended parameters and its day-to-day optimization was tested and compared with other strategies in Marek and Šedivá (2017). The testing was randomised in time and companies (e.g., Apple, Exxon Mobile, IBM, Microsoft) and showed that RSI can still produce good results; however, in longer time it is usually overcome by the simple buy-and-hold strategy. [4]

Contents

For each trading period an upward change *U* or downward change *D* is calculated. Up periods are characterized by the close being higher than the previous close:

Conversely, a down period is characterized by the close being lower than the previous period's close (note that D is nonetheless a positive number),

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

If the last close is the same as the previous, both *U* and *D* are zero. The average *U* and *D* are calculated using an *n*-period smoothed or modified moving average (SMMA or MMA) which is an exponentially smoothed Moving Average with α = 1/period. Some commercial packages, like AIQ, use a standard exponential moving average (EMA) as the average instead of Wilder's SMMA.

Wilder originally formulated the calculation of the moving average as: **newval = (prevval * (period - 1) + newdata) / period**. This is fully equivalent to the aforementioned exponential smoothing. New data is simply divided by period which is equal to the alpha calculated value of 1/period. Previous average values are modified by (period -1)/period which in effect is period/period - 1/period and finally 1 - 1/period which is 1 - alpha.

The ratio of these averages is the *relative strength* or *relative strength factor*:

If the average of *D* values is zero, then according to the equation, the RS value will approach infinity, so that the resulting RSI, as computed below, will approach 100.

The relative strength factor is then converted to a relative strength index between 0 and 100:[1]

The smoothed moving averages should be appropriately initialized with a simple moving average using the first *n* values in the price series.

Interpretation

Basic configuration[edit]

Relative strength index 7-period

The RSI is presented on a graph above or below the price chart. The indicator has an upper line, typically at 60, a lower line at 40, and a dashed mid-line at 50. Wilder recommended a smoothing period of 14 (see exponential smoothing, i.e. $\alpha = 1/14$ or $N = 14$).

Principles

Wilder posited[1] that when price moves up very rapidly, at some point it is considered overbought. Likewise, when price falls very rapidly, at some point it is considered oversold. In either case, Wilder deemed a reaction or reversal imminent.

The level of the RSI is a measure of the stock's recent trading strength. The slope of the RSI is directly proportional to the velocity of a change in the trend. The distance traveled by the RSI is proportional to the magnitude of the move.

Wilder believed that tops and bottoms are indicated when RSI goes above 70 or drops below 30. Traditionally, RSI readings greater than the 70 level are considered to be in overbought territory, and RSI readings lower than the 30 level are considered to be in oversold territory. In between the 30 and 70 level is considered neutral, with the 50 level a sign of no trend. [5]

Divergence[edit]

Wilder further believed that divergence between RSI and price action is a very strong indication that a market turning point is imminent. Bearish divergence occurs when price makes a new high but the RSI makes a lower high, thus failing to confirm. Bullish divergence occurs when price makes a new low but RSI makes a higher low.[1]:68

Lesson 13. MACD

MACD indicator

Moving averages can be used on their own, or they can be the basis of other technical indicators, such as the moving average convergence divergence (MACD). As it is based on MAs, the MACD is inherently a trend-following or **lagging indicator**. However, it has been argued that different components of the MACD provide traders with different opportunities.

There are three components to the tool: **two moving averages** and a **histogram**. The two moving averages (the **signal line** and the **MACD line**) are invariably **lagging indicators,** as they only provide signals once the two lines have **crossed** each other, by which time the trend is already in motion.

MACD, short for **moving average convergence/divergence**, is a trading indicator used in technical analysis of stock prices, created by **Gerald Appel in the late 1970s**.[1] It is designed to reveal changes in the strength, direction, momentum, and duration of a trend in a stock's price.

The MACD indicator (or "oscillator") is a collection of three time series calculated from historical price data, most often the closing price. These three series are: the MACD series proper, the "signal" or "average" series, and the "divergence" series which is the difference between the two. The MACD series is the difference between a "fast" (short period) exponential moving average (EMA), and a "slow" (longer period) EMA of the price series. The average series is an EMA of the MACD series itself.

The MACD indicator thus depends on three time parameters, namely the time constants of the three **EMAs.** The notation "MACD(*a*,*b*,*c*)" usually denotes the indicator where the MACD series is the difference of EMAs with characteristic times *a* and *b*, and the average series is an EMA of the MACD series with characteristic time *c*. These parameters are usually measured in days. The most commonly used values are **12, 26, and 9 days**, that is, **MACD(12,26,9).** As true with most of the technical indicators, MACD also finds its period settings from the old days when technical analysis used to be mainly based on the daily charts. The reason was the lack of the modern trading platforms which show the changing prices every moment. As the working week used to be 6-days, the period settings of (12, 26, 9) represent 2 weeks, 1 month and one and a half week. [2] Now when the trading weeks have only 5 days, possibilities of changing the period settings cannot be overruled. However, it is always better to stick to the period settings which are used by the majority of traders as the buying and selling decisions based on the standard settings further push the prices in that direction.

The MACD and average series are customarily displayed as continuous lines in a plot whose horizontal axis is time, whereas the divergence is shown as a bar graph (often called a histogram).

A fast EMA responds more quickly than a slow EMA to recent changes in a stock's price. By comparing EMAs of different periods, the MACD series can indicate changes in the trend of a stock. It is claimed that the divergence series can reveal subtle shifts in the stock's trend.

Since the MACD is based on moving averages, it is inherently a **lagging indicator.** As a future metric of price trends, the MACD is less useful for stocks that are not trending (trading in a range) or are trading with erratic price action.

Terminology

Over the years, elements of the MACD have become known by multiple and often over-loaded terms. The common definitions of particularly overloaded terms are:

Divergence: 1. As the D in MACD, "divergence" refers to the two underlying moving averages drifting apart, while "convergence" refers to the two underlying moving averages coming towards each other. 2. Gerald Appel referred to a "divergence" as the situation where the MACD line does not conform to the price movement, e.g. a price low is not accompanied by a low of the MACD.[3] and 3. Thomas Asprey dubbed the difference between the MACD and its signal line the "divergence" series. In practice, definition number 2 above is often preferred.

Histogram:[4] 1. Gerald Appel referred to bar graph plots of the basic MACD time series as "histogram". In Appel's Histogram the height of the bar corresponds to the MACD value for a particular point in time. 2. The difference between the MACD and its Signal line is often plotted as a bar chart and called a "histogram". In practice, definition number 2 above is often preferred.

Mathematical interpretation[edit]

In signal processing terms, the MACD series is a filtered measure of the derivative of the input (price) series with respect to time. (The derivative is called "velocity" in technical stock analysis.) MACD estimates the derivative as if it were calculated and then filtered by the two low-pass filters in tandem, multiplied by a "gain" equal to the difference in their time constants. It also can be seen to approximate the derivative as if it were calculated and then filtered by a single low pass exponential filter (EMA) with time constant equal to the sum of time constants of the two filters, multiplied by the same gain.[5] So, for the standard MACD filter time constants of 12 and 26 days, the MACD derivative estimate is filtered approximately by the equivalent of a low-pass EMA filter of 38 days. The time derivative estimate (per day) is the MACD value divided by 14.

The average series is also a derivative estimate, with an additional low-pass filter in tandem for further smoothing (and additional lag). The difference between the MACD series and the average series (the divergence series) represents a measure of the second derivative of price with respect to time ("acceleration" in technical stock analysis). This estimate has the additional lag of the signal filter and an additional gain factor equal to the signal filter constant.

Classification[edit]

The MACD can be classified as an absolute price oscillator (APO), because it deals with the actual prices of moving averages rather than percentage changes. A percentage price oscillator (PPO), on the other hand, computes the difference between two moving averages of price divided by the longer moving average value.

While an APO will show greater levels for higher priced securities and smaller levels for lower priced securities, a PPO calculates changes relative to price. Subsequently, a PPO is preferred when: comparing oscillator values between different securities, especially those with substantially different prices; or comparing oscillator values for the same security at significantly different times, especially a security whose value has changed greatly.

Another member of the price oscillator family is the detrended price oscillator (DPO), which ignores long term trends while emphasizing short term patterns.

Trading interpretation[edit]

Exponential moving averages highlight recent changes in a stock's price. By comparing EMAs of different lengths, the MACD series gauges changes in the trend of a stock. The difference between the MACD series and its average is claimed to reveal subtle shifts in the strength and direction of a stock's trend. It may be necessary to correlate the signals with the MACD to indicators like RSI power.

Some traders attribute special significance to the MACD line crossing the signal line, or the MACD line crossing the zero axis. Significance is also attributed to disagreements between the MACD line or the difference line and the stock price (specifically, higher highs or lower lows on the price series that are not matched in the indicator series).

Signal-line crossover[edit]

A "signal-line crossover" occurs when the MACD and average lines cross; that is, when the divergence (the bar graph) changes sign. The standard interpretation of such an event is a recommendation to buy if the MACD line crosses up through the average line (a "bullish" crossover), or to sell if it crosses down through the average line (a "bearish" crossover).[6] These events are taken as indications that the trend in the stock is about to accelerate in the direction of the crossover.

Zero crossover[edit]

A "zero crossover" event occurs when the MACD series changes sign, that is, the MACD line crosses the horizontal zero axis. This happens when there is no difference between the fast and slow EMAs of the price series. A change from positive to negative MACD is interpreted as "bearish", and from negative to positive as "bullish". Zero crossovers provide evidence of a change in the direction of a trend but less confirmation of its momentum than a signal line crossover.

Divergence[edit]

A "positive divergence" or "bullish divergence" occurs when the price makes a new low but the MACD does not confirm with a new low of its own. A "negative divergence" or "bearish divergence" occurs when the price makes a new high but the MACD does not confirm with a new high of its own.[7] A divergence with respect to price may occur on the MACD line and/or the MACD Histogram.[8]

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Timing[edit]

The MACD is only as useful as the context in which it is applied. An analyst might apply the MACD to a weekly scale before looking at a daily scale, in order to avoid making short term trades against the direction of the intermediate trend.[9] Analysts will also vary the parameters of the MACD to track trends of varying duration. One popular short-term set-up, for example, is the (5,35,5).

False signals[edit]

Like any forecasting algorithm, the MACD can generate false signals. A false positive, for example, would be a bullish crossover followed by a sudden decline in a stock. A false negative would be a situation where there is bearish crossover, yet the stock accelerated suddenly upwards.

A prudent strategy may be to apply a filter to signal line crossovers to ensure that they have held up. An example of a price filter would be to buy if the MACD line breaks above the signal line and then remains above it for three days. As with any filtering strategy, this reduces the probability of false signals but increases the frequency of missed profit.

Analysts use a variety of approaches to filter out false signals and confirm true ones.

A MACD crossover of the signal line indicates that the direction of the acceleration is changing. The MACD line crossing zero suggests that the average velocity is changing direction.

Lesson 14. Moving Average (MA) or (EMA) (MA 50)

Development of the "**moving average**" dates back to **1901**, although the name was applied to it later. From math historian **Jeff Miller**: **MOVING AVERAGE**. This technique for smoothing data points was used for decades before this, or any general term, came into use.

In statistics, a **moving average** (**rolling average** or **running average**) is a calculation to analyze data points by creating a series of averages of different subsets of the full data set. It is also called a **moving mean** (**MM**)[1] or **rolling mean** and is a type of finite impulse response filter. Variations include: simple, and cumulative, or weighted forms (described below).

Given a series of numbers and a fixed subset size, the first element of the moving average is obtained by taking the average of the initial fixed subset of the number series. Then the subset is modified by "shifting forward"; that is, excluding the first number of the series and including the next value in the subset.

A moving average is commonly used with time series data to smooth out short-term fluctuations and highlight longer-term trends or cycles. The threshold between short-term and long-term depends on the application, and the parameters of the moving average will be set accordingly. For example, it is often used in technical analysis of financial data, like stock prices, returns or trading volumes. It is also used in economics to examine gross domestic product, employment or other macroeconomic time series. Mathematically, a moving average is a type of convolution and so it can be viewed as an example of a low-pass filter used in signal processing. When used with non-time series data, a moving average filters higher frequency components without any specific connection to time, although typically some kind of ordering is implied. Viewed simplistically it can be regarded as smoothing the data.

MA 50

Today we will go through 6 tips for how to use a 50-day moving average. Why the 50-day moving average and what makes it so popular?

Well, the 50 is a multiple of the 100 and 200-day moving averages. This by definition makes the 50-day average the gateway if you will into the longer-term moving average world.

Therefore it goes without saying we need to unpack the relevance of this average and how you can use it when trading.

To this point, we will give a brief overview, elaborate on the six tips and then show some real-trading examples using the indicator. Lastly, we will show you where the indicator can fail you, so you are prepared for when things do not go as planned.

Why Use a Moving Average?

The moving average is a trading indicator used to smooth the price action on the chart. The moving average indicator takes into account a number of periods when calculating its value.

These periods could be adjusted, which also modifies the appearance of the line on the chart. The more periods it takes into consideration, the smoother the line.

Let’s say we wanted to calculate the 5-period moving average for the following values:

3.00
4.00
8.00
10.00
12.00

Learn to Trade Stocks, Futures, and ETFs Risk-Free

The 5-period simple moving average would equal:

(3+4+8+10+12)/5 = 7.4

For each new period, the formula accounts for the additional data point.

The moving average is a lagging indicator. [1] The reason for this is that the moving average needs a given number of data points based on the periods to print a value.

5-Day SMA

The purple curved line on the chart is a 5-period simple moving average. This line is not smooth at all. This is because five periods is such a small time frame and thus will result in some trade signals; more signals then I care to track.

Now that we have provided a visual of a moving average let's dig into the 50-day to see a longer time frame.

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

50 Day Moving Average

As you can see, the 50-day SMA is much smoother than the 5-period moving average. This will naturally result in less trading signals and an increase significance on breaches of the average. [2]

6 Tips for How to Use the 50-Day Moving Average

Now that we have discussed the structure of the 50-day moving average, I will now introduce you to six essential tips for how to use the indicator.

1. Stock price above the 50-day moving average is considered **bullish**.
2. Stock price below 50-day moving average is considered **bearish**.
3. If the price meets the 50 day SMA as support and bounces upwards, you should think long.
4. Stock price meets the 50-day SMA as resistance and bounces downwards, you should think short.
5. If the price breaks the 50-day SMA downwards, you should switch your opinion to bearish.
6. If the price breaks the 50-day SMA upward, you should switch your opinion to bullish.

These six rules are crucial for understanding the character of the 50-day simple moving average indicator.

Notice how I never said that you should just buy and sell based on the 50 moving average. I'm not here to tell you trading requires an advanced degree, but I am here to tell you that buying and selling solely on the 50 is not a strategy for success.

However, having a base understanding of these six principles will help you better understand how to trade with the average. Next, we will explore these strategies and areas where the indicator can fail you if not used properly.

Lesson 15. MA Cross 50 and 200

How do you use 50 day 200 moving average?
Conclusion

1. The crossover of the **50-day moving average** vs. **200-day moving average** is called a **golden cross.**
2. When you see a golden cross, you should look to get long.
3. You should place a stop loss beyond a bigger top/bottom prior to the cross.
4. You should hold the trade until the **50**-period SMA is broken to the downside

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Moving Average Strategy

1. Direction (Uptrend, Downtrend and Ranging)
2. Dynamic Support and Resistance (Moving Average 50)
3. Trendline (Moving Average 9)
4. Crossover (Moving Average 50 and 200) Strategy - **golden cross**
5. Crossover (Moving Average 21 and 9) Strategy
6. Crossover (Moving Average 13 and 5) Strategy
7. Crossover (Moving Average 4 and 50 EMA) Strategy

Lesson 16. SAR Strategy

SAR = STOP AND REVERSE

The parabolic **SAR** is a technical **indicator** used to determine the price direction of an asset, as well as draw attention to when the price direction is changing. Sometimes known as the "stop and reversal system," the parabolic **SAR** was developed by **J. Welles Wilder** Jr in **1978**.

Parabolic SAR is by far the only **good indicator**. ... The only accurate and suitable **indicator** out there for day trading or scalping **is PARABOLIC SAR**.

Parabolic SAR Buy Signals. ... Short for **Parabolic** Stop-and-Reverse, this indicator provides both entries and exits. The indicator is composed of a series of dots, either above or below the price. When dots move from below to above the price bars, it is time to get out of longs or get short

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

- Setup: Color Black – Circle – 1h timeframe
- Buy Rule: SAR DOWN = BUY,
- Sell Rule: SAR UP = Sell

Lesson 17. Partial Profit:

Partial Profit = When you close out of trade in “Forex Trading” where you only take a piece, but leave the rest of your trade still active.

------------------------→ **Practical MT4 Mobile → Watch video ←-------------------------------------**

Lesson 18: Risk Management

1. Only invest money you don’t need
2. Daily Target Profit/Loss (Max 5% daily)
3. Risk Reward Ratio (1:1 or 1:2 or 1:3 and so on)
4. Stop Loss
5. Keep your risk consistent
6. Lot size
7. Leverage
8. Risk per trade

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

1. Stop Loss

2. Static Stop Loss (Example all my trades 50 PIP SL).
3. Static Stop Loss (Based Indicators or Before/Below S/R or Last Correction/Bull Back/Retracement or Last Swing Hight or Swing Los).
4. Manual Trailing stop (Move SL, First Risk Free, Then Move SL.
5. Fixed/Automatic **Trailing Stop**.

2. Lot size

How do **lots** correlate to profit and losses

Lot Size	Units	Volume	$/pip
Standard Lot	100,000	1.00	$10.00/pip
Mini Lot	10,000	0.10	$1.00/pip
Micro Lot	1,000	0.01	$0.10/pip
Nano Lot	100	0.001	$0.01/pip

3. More Signals (Open position 3 trades)

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Leverage:

- 1:1
- 1:50
- 1:100
- 1:1500

Risk Per Trade:

- No more than 1% – 3 % per trade.

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Lesson 19. Market Makers Manipulations, Stop Hunt, Slippage, Gaps and System Broker Error.

Stop Hunt:

Why your Stop Loss Always gets Hit!

- Retail Traders believe **Broker** are Hunting Stop Loss = This is False.

Two Reasons:

1. A Broker makes more money from consistent profitable clients. A Broker then generates Commission for life.
2. Brokers that hunt your stops will be caught by the Regulator.

Who Market Makers Manipulations?

It's actually Larger Traders (**BANK** and **Hedgers** hunting your stops. Large Trades at current price get Bad **Slippage.**

How to avoid Stop Hunt?

- Avoid placing your Stops in the most recent Swing Points.

What are Gaps?

Intermediate Level

EASYWAYLEARN ACADEMY

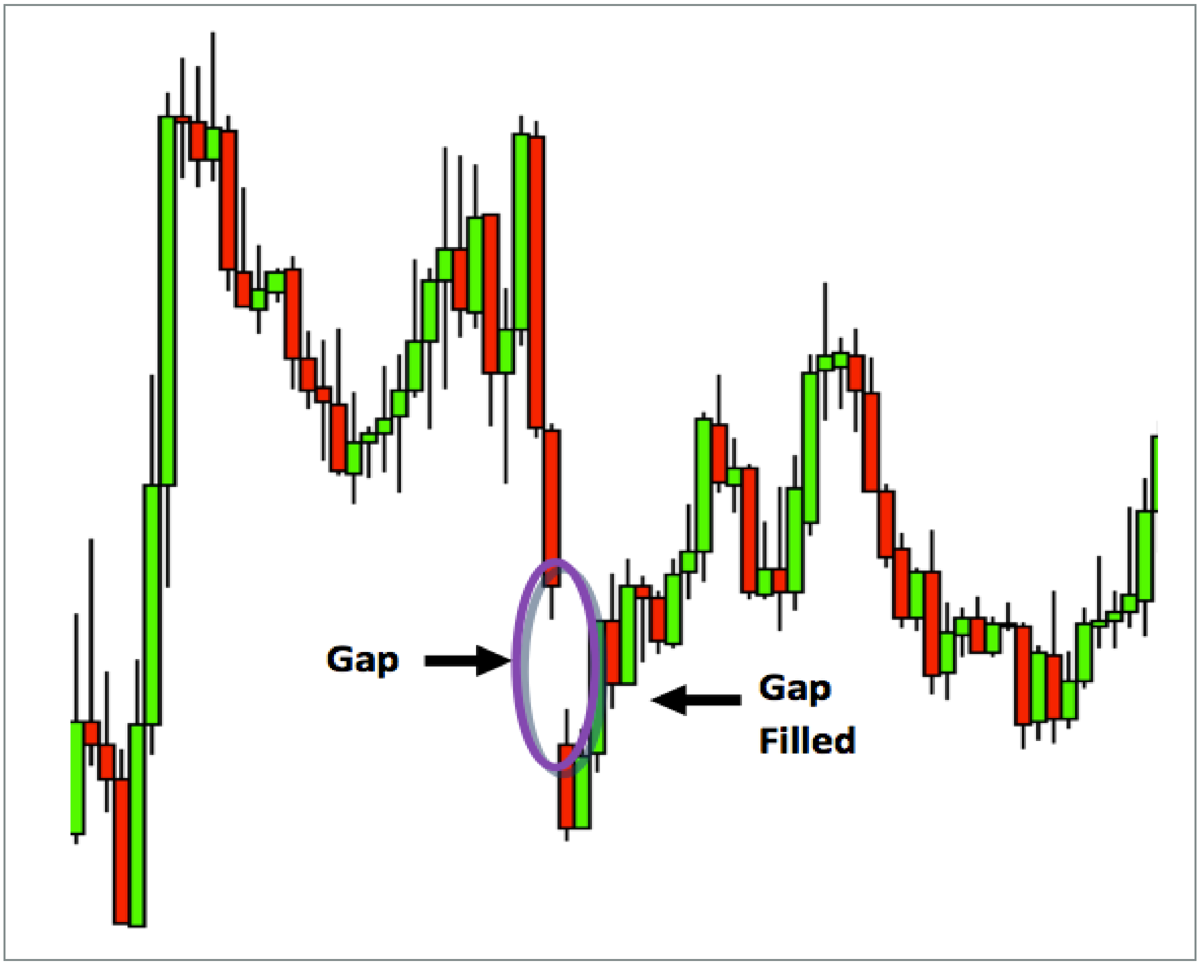
SAHALSOFTWARE – SAHAL UNIVERSITY

Gaps are sharp breaks in price with no trading occurring in between. Gaps can happen moving up or moving down. In the forex market, gaps primarily occur over the **weekend** because it is the only time the forex market closes. Gaps may also occur on very short timeframes such as a one-minute chart or immediately following a major news announcement.

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY



What Is Slippage?

Slippage is the difference between the expected price of a trade and the price at which the trade actually executes. Market gaps can cause slippage which may affect stop and limit orders – meaning they will be executed at a different price from that requested.

Intermediate Level

EASYWAYLEARN ACADEMY

SAHALSOFTWARE – SAHAL UNIVERSITY

Lesson 20: Trading Plan

15 Rules

1. Reviewing any Open Position
2. Review Yesterday trades
3. Trading Hours = 2 hours
4. Daily Target Profit 5%
5. Daily Target Loss 5%
6. Daily Pips = 50 Pip
7. Open Position onetime = 3
8. Best Time to Trade = 10:00 AM – 17:00 PM
9. Strategy
10. News
11. Currency strength
12. Pivot (S/R)
13. Risk Free + Trailing Stop
14. Two Real Accounts (Increment Account and Daily Life Account)
15. Self-Study every day = at least 2 Hour

END