

## The Simple H1 Ea

The EA version 8 trade's with the SMA 10 and SMA 197, therefore it will not open a position if the two MA'S are not in the same direction.

This gives us a great starting point as we know the overall trend, as has been shown the price most times will return to the trend if it moves away from it.

Therefore most times manual trading is not required but as with all things nothing is perfect, the following notes are only my view on a way to add extra positions to a retraction .

For this exercise we will assume that the EA has opened a position short and with in a short time the price has moved away from the opening price.

To trade a retraction I use a 15 min chart with a 55 SMA and a momentum Indicator of your choice , I use a stochastics.



Above we see the position move away from the open position and move up to the 55 SMA,

We now need to wait for the bounce to be confirmed, before we can look for entry point.

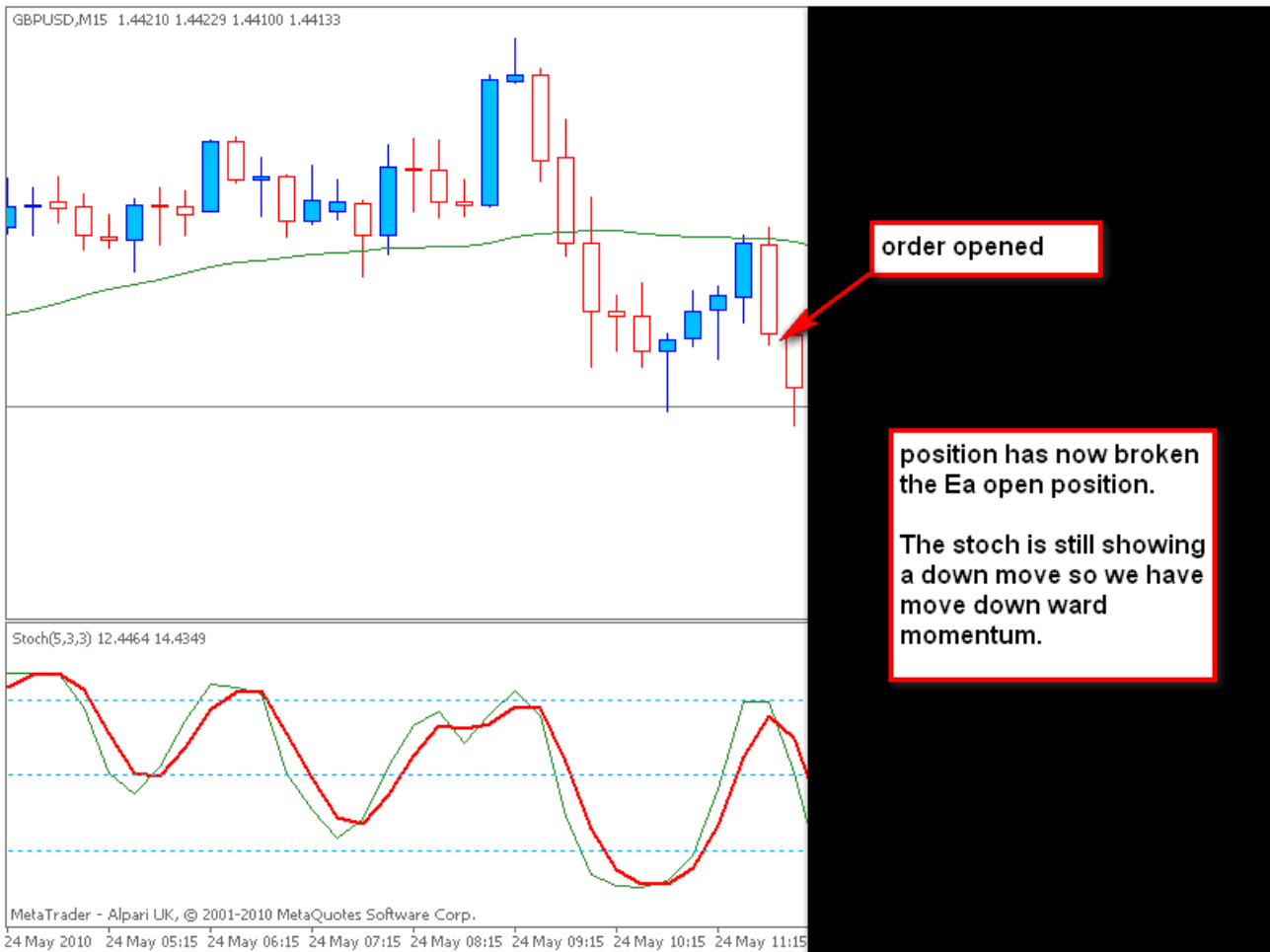


As you can see we have the confirmation, you can place the following lines on the Stochastics 25 and 75 a lot of trader's will not entry a trade until it has crossed either of these lines.

Now what we need is a entry point that will give us a locked in profit before it reaches the EA's open position.....if there is not enough room for you to do this you do not enter any more positions..

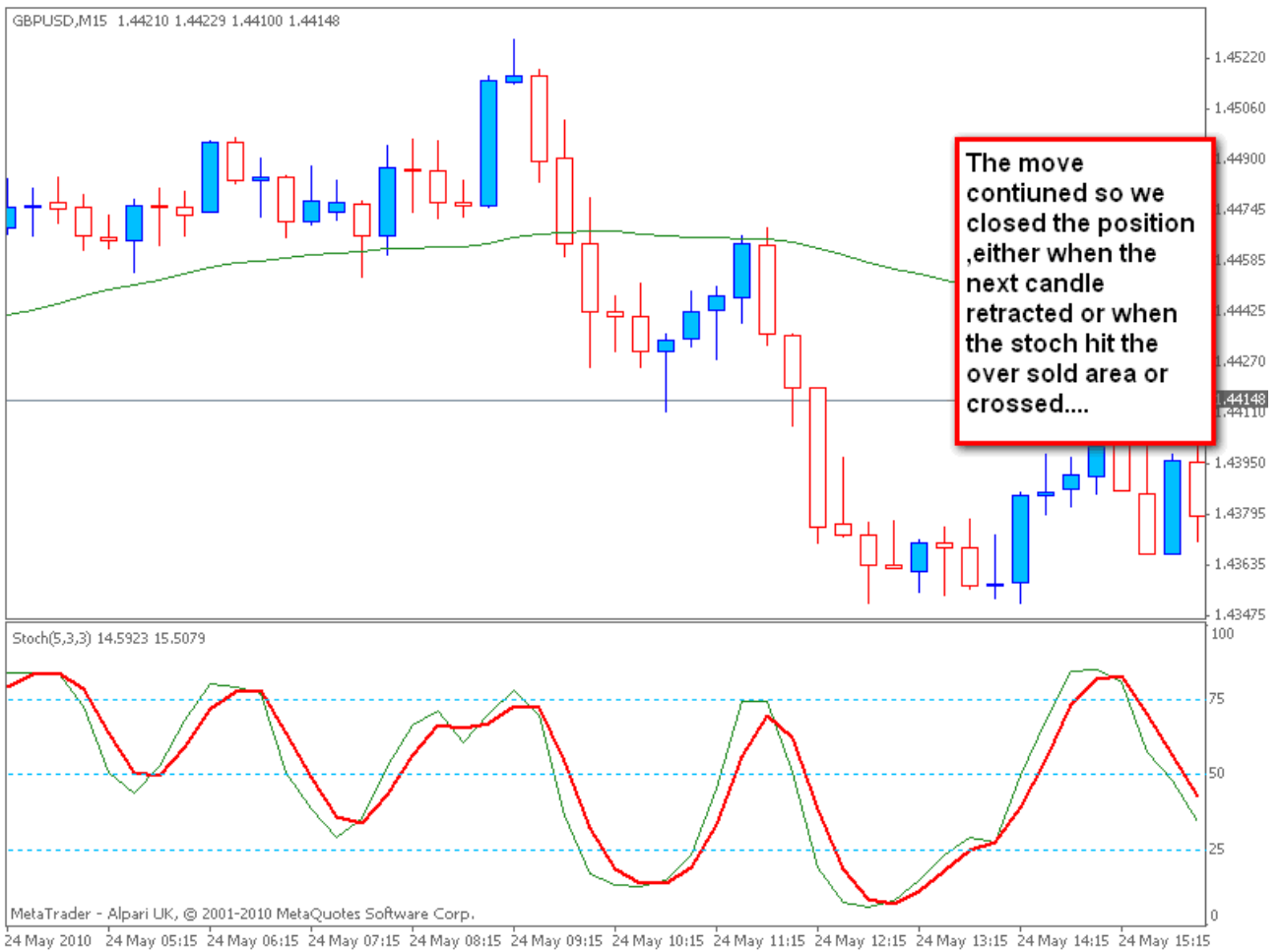
On the above picture you can see the price moved down and then retracted before the candle closed, thats what we will use as a entry point.

Place your order just below that wick so the price breaks lower to trigger the position.



Our order has been opened and it has moved down to break the open position of the EA, at this point we move our Stop Loss to breakeven plus a pip or two.

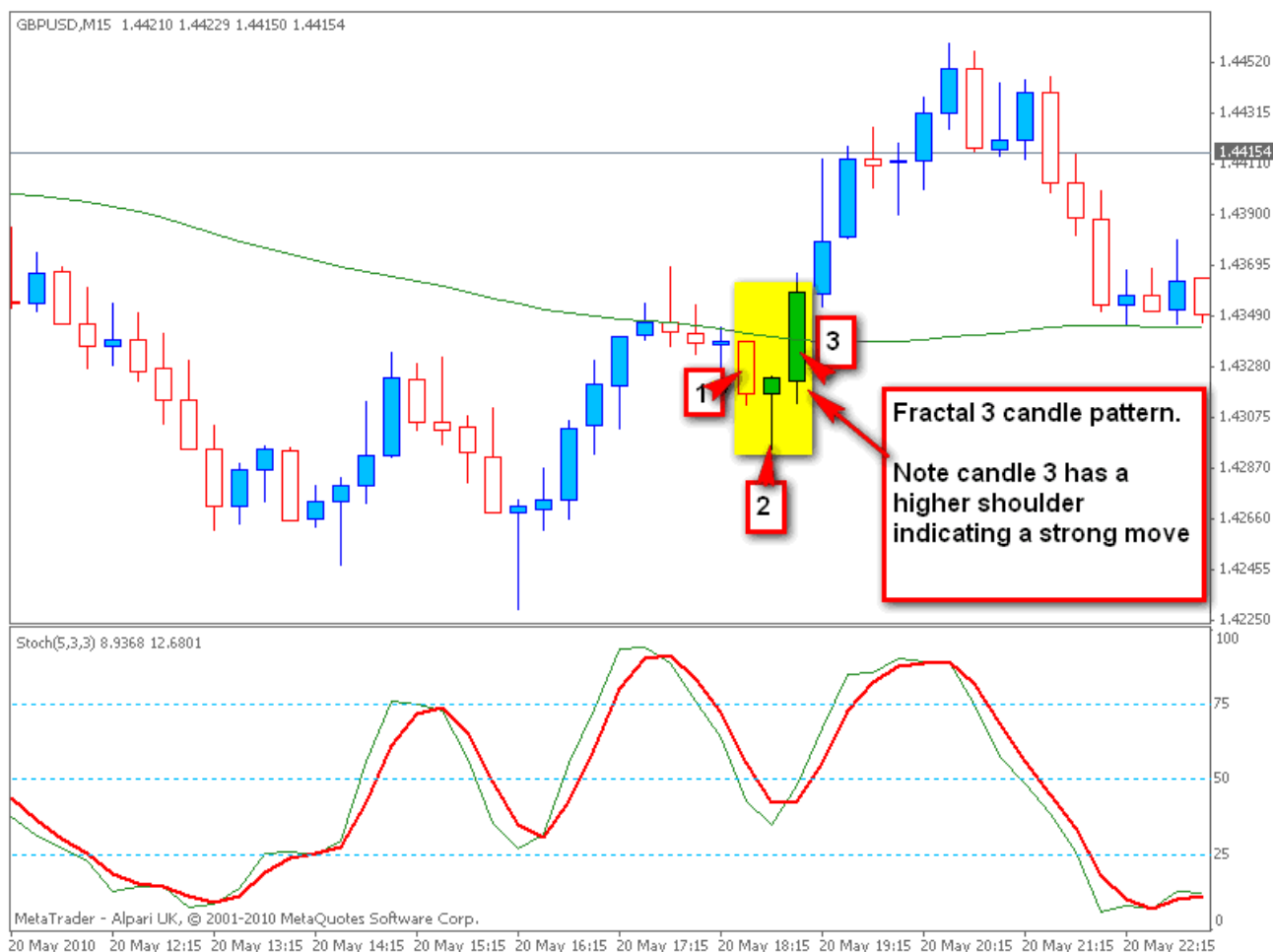
We now need to know if this trade will continue, look at the stochastics and we can see the lines are on a good downward angle and wide apart, all good signs that she should continue.



As you can see a good completed move.

You could have closed this position as it went below the 25 line on the Stochastics...

As this method is also based on Fractal candle pattern's I have included a picture of a Fractal.



**Note:** In a three candle pattern the third candle indicate's the strenght of the following move..if candle 1 and 3 are on the same level the move will possibly be small and shallow, if the third candle is below/above the first as in the picture you will see a strong chance of a strong move.

I hope this helps and any questions please feel free to ask, as this is connected to the thread Iam sure Geoff will not mind the odd question..