



**MEMBER OF TRADING POINT GROUP**

# **TRADING SIGNALS MANUAL**

## TRADING SIGNALS MANUAL

### Methodology

Trading signals follow a specific methodology of swing trading through price action analysis.

Signals are categorized into time frames. Each time frame acts as an independent virtual trader that follows through the signals displayed. Multiple time frame trading can be achieved by following all signals in all time frames for each instrument.

Signals can be used to outline possible trading scenarios and are an example of a trading methodology executed in live market conditions. According to their own preference, traders can decide in which time frame to trade. Lower time frames require longer hours for monitoring active positions in the market. The lower the time frame traded, the higher the frequency of possible trades. The higher the time frame the signal is presented in, the longer it will take for the trading scenario to develop and conclude. Multiple time frame trading can be achieved by following all signals across all time frames on each instrument. In each case, the execution of trading signals must be accompanied by money management techniques in order to control active exposure.

Trading signals can also be used as a way to view an analysis of the market, identify the direction of each time frame and see where targets are outlined, along with extreme price conditions, and recognize trends. The trending characteristics of all time frames on a given instrument can give traders an outlook for the state of the market and on how aligned trends are over multiple time frames.

During signal output times, trading scenarios with entry levels prepared are outlined in the morning and afternoon calls. Once a previously outlined signal has been activated, the next report will continue to follow through the existing trade, managing exit levels along the way, until the trading scenario has reached exit levels. After a trading scenario has ended, the specific time frame searches for the next trading scenario.

Following through a specific methodology, in some cases, entry levels are formed and activated between signal output times. In these cases, the activated signal or next opportunity to enter will be outlined in the next report.

Each time frame acts as a separate virtual trader, however less volatile results can be achieved by using money management to follow all signals on all time frames and on all instruments.

Each trading scenario is outlined with 2 take profit targets, where ongoing positions are closed 50% at the first target and 50% at the second target. This can be achieved by manually closing 50% of the position at the time the market reaches the first target or by entering 2 trade orders from the beginning but outlining different profit targets. Both positions use the same stop-loss, and a trail of a stop-loss towards entry level implies both stops to be moved in case both halves of the positions are still active.

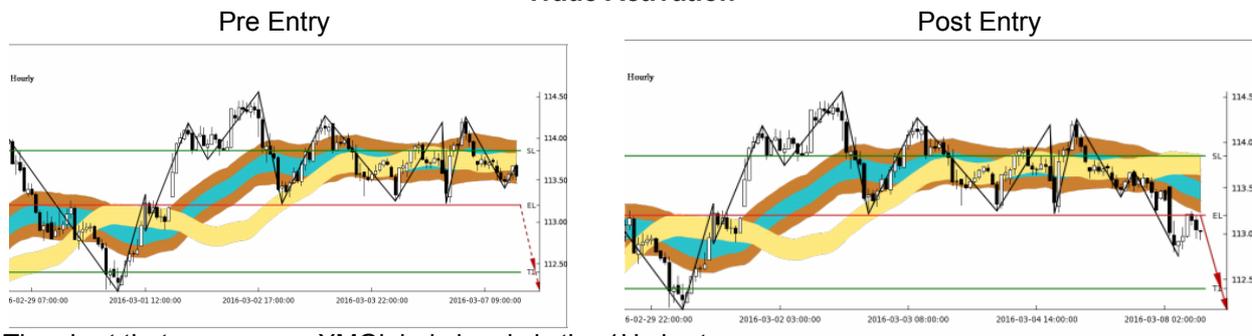
### Output Times

Signals are released between 10:00 – 10:30 and 16:00 – 16:30 EET in winter and EEST in summer.

### Chart

If a trade on the chart time frame is being prepared, the chart that appears on the report will have outlined entry and exit levels. If no entry level is ready, the support and resistance levels of the particular time frame will appear. A dotted line on the chart from the entry level will be outlining the next possible entry, while a solid line on the chart will be outlining an existing active trade scenario.

### Trade Activation



The chart that appears on XMGlobal signals is the 1H chart.

### Indicators

Two Tradepedia proprietary tools used in the analysis will be visible on the chart.

**Avramis Swing Indicator** - Solid black line that outlines tops and bottoms

The Avramis Swing Indicator was designed in order to mathematically and objectively identify confirmed tops and bottoms in any market. Based on the laws of trend following, by using sequences of tops and bottoms trades our outlined with the use of the Avramis Swing Indicator to identify price patterns that can lead to trading scenarios. For more information about this indicator and about trend reversal patterns, please register for the webinar entitled Trend Reversal at [www.xm.com](http://www.xm.com).

**Avramis River Indicator** – Blue-brown-yellow color

The Avramis River Indicator uses a variety of moving average combinations, along with parameters triggered by market volatility. This helps traders have a clear image of market trending characteristics. Moreover, by comparing price action to the Avramis River Indicator traders can identify which trends are stronger and smoother than others.

A price below the Avramis rivers implies a downtrend, while a price above the Avramis rivers implies an uptrend. An empty space (i.e. a white river) between the brown and the gold river is a sign of a stronger trend. When the gold river mixes with the blue river, a weaker market trending and a possible price ranging can be expected. For more information about the Avramis River Indicator, please register for the webinar entitled Avramis River at [www.xm.com](http://www.xm.com).

**Time Frame:** hourly, 4-hourly, daily, weekly

This refers to the time frame being analysed and followed.

Each time frame acts as a separate virtual trader that follows trending signals given in that specific time frame.

Multiple time frame signals can be achieved by following signals from all time frames on a given instruments.

Time	Trend & Condition	Support & Resistances	Comments	Position & Trade Probability		Entry, Take Profit & Stop Loss Levels	
				Position	Entry	SL	TP1
<div style="border: 2px solid red; border-radius: 50%; padding: 5px; display: inline-block;"> <b>60min CHART</b>                      Next 3 Days                 </div>	 Downwards Strong Neutral	112.53 113.30	A Medium probability, entry signal to go SHORT was given at 113.20 after the market found resistance at 113.85. Only the upward break of 113.85 would cancel the bearish scenario.	SHORT	113.20	113.85	
		111.82 113.69		Trade P.	TP1	TP2	
		110.67 114.40		Medium	112.40	111.40	

**Trend Conditions:** overbought 1 & 2, oversold 1 & 2, neutral

This refers to the trend conditions and the measure of an overextended move.

Extreme conditions, such as overbought and oversold, are used as an early warning for a corrective wave in the opposite direction. When a market trend is overbought, it implies a higher probability of a corrective wave, without implying that this will happen instantly. Between overbought 1 & 2 we distinguish between slightly overbought and extremely overbought trend characteristics.

For more information on extreme price conditions, please register for the webinar entitled Momentum Oscillators at [www.xm.com](http://www.xm.com).

Time	Trend & Condition	Support & Resistances	Comments	Position & Trade Probability		
				Position	Entry	SL
60min CHART Next 3 Days	 Downwards Strong Neutral	112.53 113.30	A Medium probability, entry signal to go SHORT was given at 113.20 after the market found resistance at 113.85. Only the upward break of 113.85 would cancel the bearish scenario.	Position	Entry	SL
		111.82 113.69		SHORT	113.20	113.85
		110.67 114.40		Trade P.	TP1	TP2
		Medium		112.40	111.40	

### Support & Resistance

Key support and resistance levels are pivotal areas on a given chart that can cause a change in direction, or where a breakthrough could lead to a significant move towards the next level in that direction. These levels are estimates based on recent price characteristics and they must be combined with the rest of the signals report in order to form possible trading scenarios.

When waiting for a signal to reposition in the direction of the trend, the signals will outline estimates of the key support-resistance levels that could contain the correction and indicate a trend continuation signal. In these cases confirmation signals are needed before activating a trading scenario. A breakthrough of the first key level can raise attention to the next level to contain the active correction.

Each report in this section outlines the 3 key support and 3 key resistance levels for each time frame.

Time	Trend & Condition	Support & Resistances	Comments	Position & Trade Probability		
				Position	Entry	SL
60min CHART Next 3 Days	 Downwards Strong Neutral	112.53 113.30	A Medium probability, entry signal to go SHORT was given at 113.20 after the market found resistance at 113.85. Only the upward break of 113.85 would cancel the bearish scenario.	Position	Entry	SL
		111.82 113.69		SHORT	113.20	113.85
		110.67 114.40		Trade P.	TP1	TP2
		Medium		112.40	111.40	

Support and resistance levels are estimated by using a variety of technical methods, including the Fibonacci levels, the Gann levels and the Avramis pivots. The levels are drawn with the help of automatic indicators and are subject to the final say of the analyst. In many cases the significant levels will coincide with the entry and exit levels of the trading scenario. However, once the trade scenario becomes active and develops, the significant levels can be different from those of entry and exit levels.

For more information about support-resistance levels, please register to the webinar entitled Support and Resistance at [www.xm.com](http://www.xm.com).

### Positions

Buy - waiting for conditions to activate a buy position

Sell - waiting for conditions to activate a sell position  
 Long - buy position already activated  
 Short - sell position already activated  
 Waiting - waiting for a trade setup to develop or a breakout of a range

Time	Trend & Condition	Support & Resistances	Comments	Position & Trade Probability		Entry, Take Profit & Stop Loss Levels	
				Position	Entry	SL	
60min CHART Next 3 Days	 Downwards Strong Neutral	112.53 113.30	A Medium probability, entry signal to go SHORT was given at 113.20 after the market found resistance at 113.85. Only the upward break of 113.85 would cancel the bearish scenario.	SHORT	113.20	113.85	
		111.82 113.69		Trade P.	TP1	TP2	
		110.67 114.40		Medium	112.40	111.40	

In this section we can view new and ongoing trades with their entry and exit levels.

Once a potential trading scenario has been prepared for activation, a buy or a sell order with entry and exit levels will be outlined. Following activation, the trading scenario will continue to be active in the trading signals until it has reached exit levels. During the trading scenario exit levels could be trailed or extended, depending on market conditions.

A buy or a sell **without** an entry level outlined implies the direction for a possible new trade, without an entry level having been prepared by the price at the current time. At this stage, we are waiting for an entry level to be formed before adding entry and exit levels to the signals report.

A buy or a sell order without an entry level outlined can also imply an alternative breakout entry if the market were to change before the next signal analysis. For this, look for instructions such as “*or alternatively the breakout of the ##### level!*”, which imply that we are waiting for the formation of an entry level. However, if such a level does not form before the breakout of the ##### level, the breakout trade will be the next active trade.

Time	Trend & Condition	Support & Resistances	Comments	Position & Trade Probability		Entry, Take Profit & Stop Loss Levels	
				Position	Entry	SL	
60min CHART Next 3 Days	 Upwards Strong Neutral	0.7401 0.7485	The market is testing support at 0.7401. We are waiting to see reversal signals in order to reinstate LONG positions, or alternatively the upward break of the 0.7485 resistance level. Next important support the 0.7350 level.	BUY	-	-	
		0.7350 0.7530		Trade P.	TP1	TP2	
		0.7266 0.7580		-	0.7530	0.7580	

Breakout trades are filtered at the time of entry in order to avoid false breakouts. If a breakout has occurred, the next signal output will update the position.

Stop and reverse positions imply that while a trade in one direction is active, the activation of an exit at stop-loss will immediately activate a position in the opposite direction.

Stop and reverse positions can be outlined by reading an instruction such as “*A medium probability, entry signal to go LONG was given at 114.00 after the market completed a bullish trend reversal pattern. Only the downward break of 113.10 would cancel the bullish scenario and take us SHORT.*”

Where in such cases, despite the long trade is now active, an activation of stop loss will also activate a new position to go short. In such cases, the support and resistance levels outlined in the signals can be used for profit targets, until the next signal output has updated the trade position and the profit levels.

240min CHART - Next 3 Weeks	 Upwards Strong - Neutral	113.10 114.60	A Medium probability, entry signal to go LONG was given at 114.00 after the market completed a bullish trend reversal pattern. Only the downward break of 113.10 would cancel the bullish scenario and take us SHORT.	Position	Entry	SL
		112.55 115.40		LONG	114.00	113.10
		111.50 116.70		Trade P.	TP1	TP2
		Medium		115.00	117.00	

### Trade Probability (High/Medium/Low)

The term trade probability refers to the technical characteristics of the trade setup. It indicates the amount of technical indicators in line with the trade setup.

A high probability trade implies a high number of indicators pointing towards the setup outcome, while a low probability trade implies a low number of indicators in agreement with the trade setup.

Trade probability can be seen as how patiently the analyst is prepared to allow the trade setup to develop. A low probability trade setup may adjust target levels or trail a stop-loss order earlier than usual, allowing less time for the setup to develop, or even to execute a faster exit of the position. A high probability trade indicates a longer time for the trade setup to develop, which could translate to allowing original stop levels to remain in place for longer without trailing to entry level, or even the possibility of extending targets during the development of the trading scenario.

240min CHART - Next 3 Weeks	 Upwards Strong - Neutral	113.10 114.60	A Medium probability, entry signal to go LONG was given at 114.00 after the market completed a bullish trend reversal pattern. Only the downward break of 113.10 would cancel the bullish scenario and take us SHORT.	Position	Entry	SL
		112.55 115.40		LONG	114.00	113.10
		111.50 116.70		Trade P.	TP1	TP2
		Medium		115.00	117.00	

### Execution Method

All trades are outlined with **2 take profit targets**. In most cases, when target 1 is close to being achieved or has been achieved, the stop-loss for the existing or remaining trade is trailed to the entry level and thus protecting the existing profits from ongoing trades. In some cases and under certain circumstances, the stop may be trailed to a higher or a lower level from the entry level. Positions are closed at **50% at the first profit target and at 50% at the second profit target**. Exit levels (stop-loss & take profit) can be altered during an ongoing trade scenario, and such updates will appear in the comments and position area of the next report.

Daily CHART - Next 3 Months	 Downwards Strong - Oversold 1	15400 16300	The TP1 has been reached. We closed 50% of our position and have moved the Stop loss at the lock in profits level (16500). Provided the market conditions will remain the same the TP2 will be reached soon.	Position	Entry	SL
		14800 17300		SHORT	16500	16500
		14000 18360		Trade P.	TP1	TP2
		Medium		15400	14000	

**Legal disclaimer: all trading signals provided are general recommendations. They have not been prepared in accordance with the requirements designed to promote the independence of investment research. All material presented here serves educational purposes only.**