

## TRADING THE TREND WITH STRONG WEAK ANALYSIS

Manual back test for the thread at – [From the original journal thread](#)

### December 2015

**NZDCAD** appear to be the initial Strong / Weak (S/W) choice but signal date and price is not clear at this point.

### January 3, 2016

Reference information:

Below are the 3 areas that were most costly to my trading account in 2015 and my corrective action for 2016

Too many trades: 139 trades are way too many and shows I am letting short term moves take me out of trades.

Corrective Action will be:

- to never have more than 3 open trades
- only trade the strongest trends
- use wider stops so not to be taken out on short term moves

Trading to many pairs: I had a net loss trading outside my core pairs

Corrective Action will be:

- to only trade my 7 main pairs
- EURUSD, AUDUSD, EURAUD, USDJPY, USDCAD, EURGBP, AUDNZD

Entry and Exits: I need to show patience and wait for idea entry setups:

- this means wait for and buy on pull backs to support
- place stop loss wide enough not to be prematurely taken out of trade
- take profits of half position when price is extended

### January 5, 2016

JPY takes the #1 Spot and CAD back to # 8, **CADJPY** is not a pair I normally trade but it might be worth a look

### January 9, 2016

New top strong weak pair - **AUDJPY**

### January 14, 2016

Here is my first 1000 pip trade of the year, **USDCAD** could be good for another 1000 pips so I will be waiting for a pull back to reload

### February 10, 2016

Top Strong weak trade, **EURGBP**

### February 10, 2016

**USDJPY** is now top SW trade, after a rejection of the 200-day moving average USDJPY has dropped 900 pips

So far this year we have had 11 pairs make the top SW trade, only three currencies (JPY, EUR, CAD) have been ranked #1, 6 have been ranked 8th (USD, GBP, CHF, NZD, CAD, AUD) This all demonstrates just how volatile the markets have been, not a great environment for trend trading, so be patient and if you do trade, keep your positions small. This phase of the market will pass.

### **February 17, 2016**

**EURGBP** is one of our better trends in another wise choppy market, looks good to keep moving higher, two-year-old resistance at 0.8000

### **February 23, 2016**

Not a pair I normally play but look at shorting **EURCAD**

### **March 11, 2016**

**USDCAD** has given back 1,400+ pips from its January high, 1.46 to 1.32

### **March 17, 2016**

**AUDUSD** is my top strong weak trade, after a two day pull back, we had a strong engulfing candle followed by continuation in early Thursday trading, 0.7600 is an area of strong resistance, if we can clear that then look for move up to 0.8000

### **March 17, 2016**

Hi everyone, **I started a new thread** with same title under forum Free Forex trading systems, there seems to be a lot more traffic on that forum. If I get a good response in the new forum, I may close my trade Journals thread, link is below

## **[The free forex trading system thread](#)**

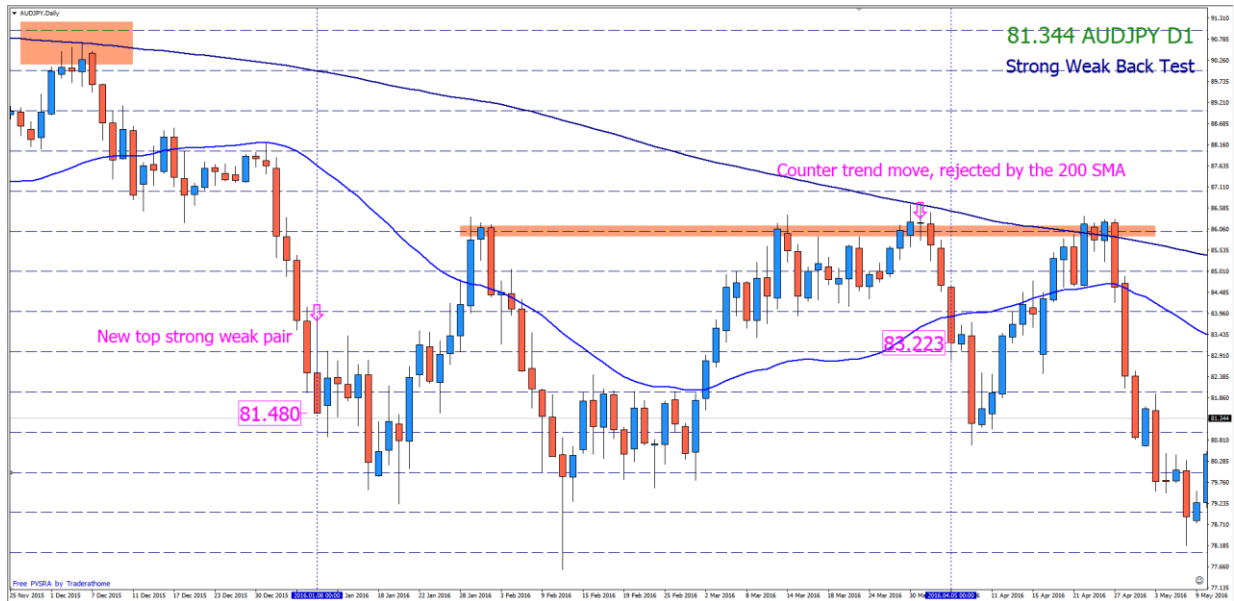
### **April 5, 2016**

**NOTE:** example chart of how to visually track the S/W trades below

I missed this one, Last week **AUDJPY** in a counter trend move **rejected the Daily 200 SMA and** is now heading lower. See how it did the same thing back in early December, that move was good for 1000+ pips, will this one give us the same?

**If I could only trade one type of entry this would be it,** my second favored entry is price crossing the Daily 200 SMA. Both are powerful entry signals that can lead to 1000's of pips.

## **[How to make your own Strong Weak ranking](#)**



## One of the suggested methods by Dennis

1. Wait for the daily candle to CLOSE
2. Compute the Strong Weak rankings
3. When the currencies ranked 1 and 8 give a new pair –
4. Enter the trade immediately with a Market Order
5. Set a TAKE PROFIT of 100 pips
6. Set a STOP LOSS 200 pips
7. Trade will EXIT when the TAKE PROFIT or STOP LOSS is hit
8. Repeat