

Rules of the 100-Trades Challenge

The Essence:

1. Trend Trading
2. Quality not Quantity
 - We only trade two currency pairs (AUD/USD and GBP/JPY)
3. Strict Money Management
 - Invest only 2% of bankroll per trade
 - Always trade with a Guarantee Stop Loss Order (GSLO)
4. Riding the trend versus 2:1 risk:reward
 - Half of position (i.e. 1%) has a risk:reward ratio of 2:1
 - Half of position (i.e. 1%) is used for riding the trend using a "cancel and replace" approach

The Method for each currency pair:

AUDUSD

- Trade only the 2-hour chart
- Trade in the direction of the immediate Trend (draw trend lines)
- Enter trades in the "Correct Zone (Buy/Sell)" This is kind of an obvious re-iteration of trading in the direction of the immediate trend
- Enter only on Fibonacci 618 or 786
- Enter only with a Japanese Candle Formation

GBPJPY

- Trade using the 30m and 1-hourly charts
- Use of the EMAs 100/200 (30m chart) and EMAs 50/100 (1h chart)
- Enter in the direction of the immediate trend (defined by Trend Lines or the EMAs)
- Enter trades in the "Correct Zone (Buy/Sell)"
- Enter only on Fibonacci 618 or 786
- Enter only with a Japanese Candle Formation (30m and 1H charts)
- Candle formations on a 2-h or 4-h charts can be traded with even more confidence

Counter Trend:

- If the Inner Trend Line (ITL) has been broken we only enter in the opposite direction of the Long Term Trend on a "Crown Right Tip" (this is an advanced concept that will be explain on real live trades if and when they occur)*
- The 786 Fibonacci bounce can also be trade in the opposite direction of the broken trend line (this will be clearer on the live examples)*