

Forex S&R Control

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INTRODUCTION:

Before advancing to the main method section, you have to understand the basics first. Don't worry, I already made it simple stupid and to the

point report.

What is support and resistance?

A: Support: It is a zone where the price that declining will likely to stop and reverse. It is like barrier that stopping them.



Resistance: It is a zone where the price that progressing will probably to stop and reverse.



Why do you need to learn support and resistance?

- For **stop and entry point**
- **Know** when the market is exhausting
- To get a **further confirmation with the other trade signals**

First, I'll explain to you the two ways to identify support resistance.

Second, I'll teach you the two ways to dominate/take advantage of support and resistance once the price approached S/R. Two on two, I think it is fair enough =)

*** Sometimes I call Support and resistance as S/R which just a shortcut that I wrote in this report.

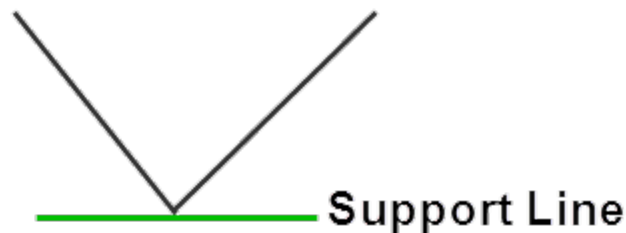
How to identify Support and Resistance:

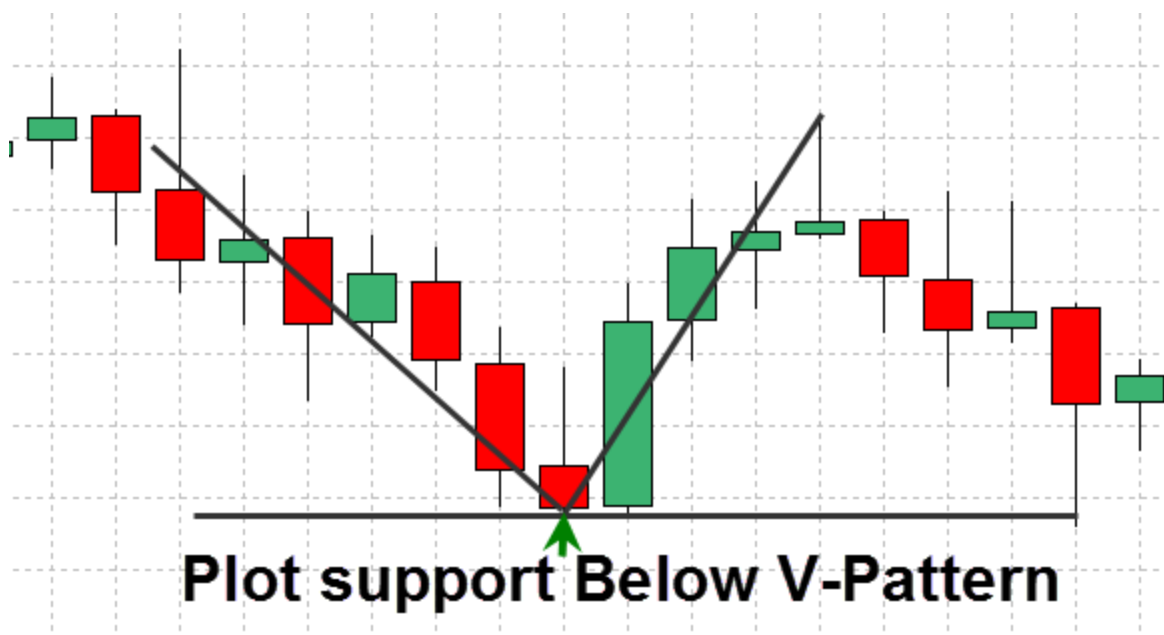
First way: The V pattern

You can easily find V pattern anytime unless the market is not volatile and very weak; you won't see the pattern which this case is pretty rare though.

Support V pattern

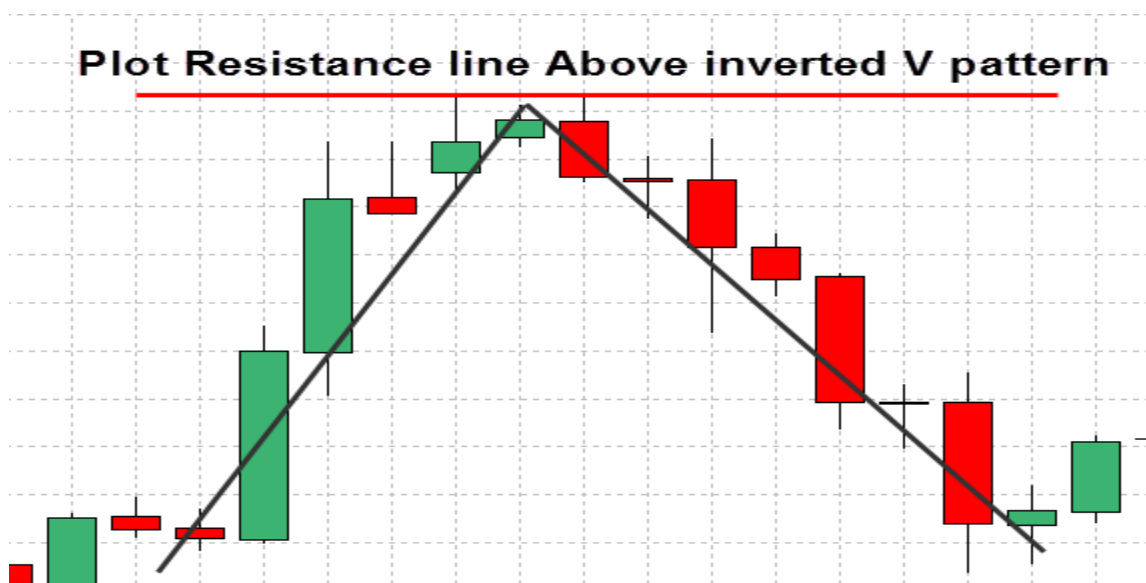
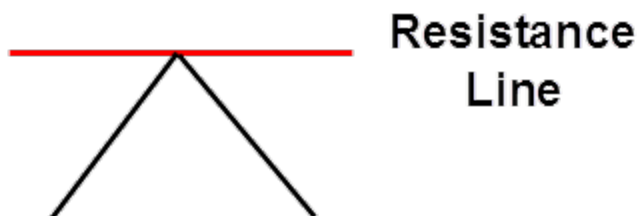
Look for **previous V pattern**. Plot a **horizontal line below** the V pattern as a support zone.





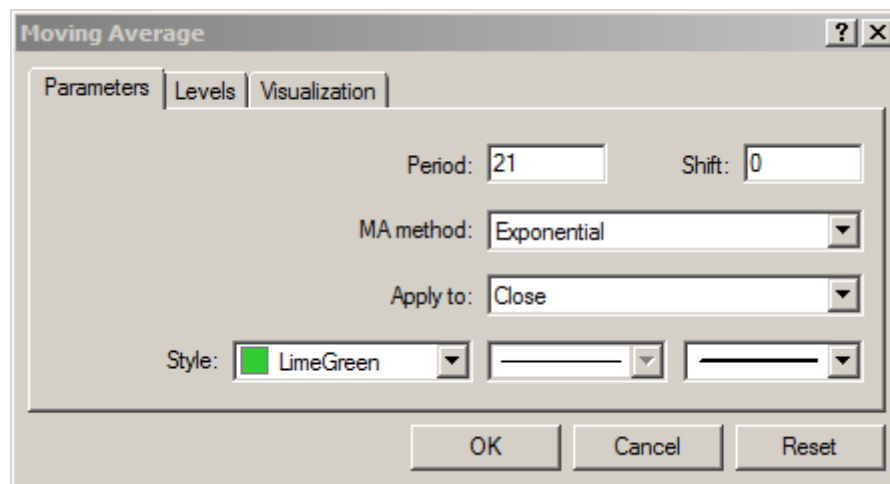
Resistance V pattern

Look for **previous inverted V pattern**. Plot a horizontal line **above** the inverted v pattern as a resistance zone.



Second way: Moving Average

This method works very well with trending market. The method is to use Moving Average that **acts as a secondary Support and Resistance**. Open your platform's chart and set an Exponential Moving Average 21.



Support

The EMA 21 must be below the price which shows that market is trending up.



Whenever the price approach on the EMA 21 line, most likely the price will reverse up or consolidate around that area.

Resistance

The EMA 21 must be above the price which indicates that market is trending down.



Whenever the price approach on the EMA 21 line, most likely the price will reverse back down or consolidate around that area.

The Method:

Method 1: Stochastic Oscillator

For buy:

- Price must approach the support zone
- Positive(up) Stochastic line crossover occurs.



- 1- V-pattern indicates there is support.
- 2- Price touch/approach the support zone
- 3- Stochastic Cross Over

For sell:

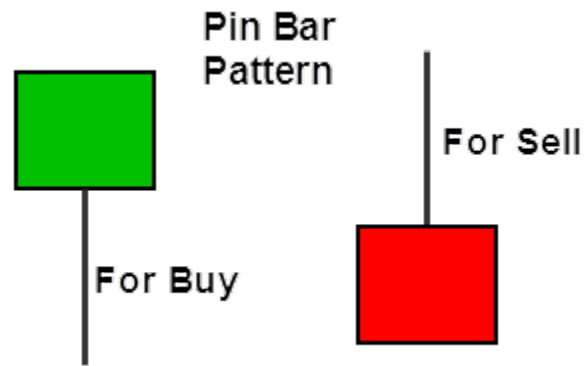
- Price must approach the resistance zone
- Negative(down) Stochastic line crossover occurs.



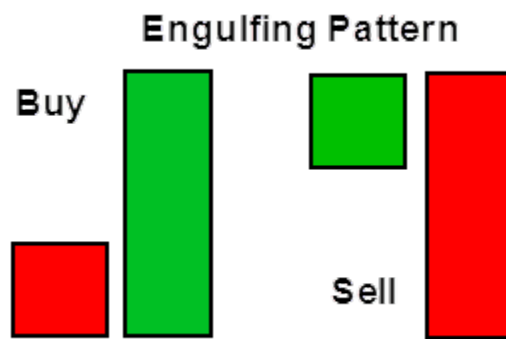
- 1- Price touch the EMA 21(act as resistance)
- 2- The stochastic crossover

Method 2: Candlestick formation

I'm not going to explain a whole details about the candlestick formations but I will cover up the most common and powerful pattern that can be used in this method. You can implement the other candlestick patterns that you know to this method.



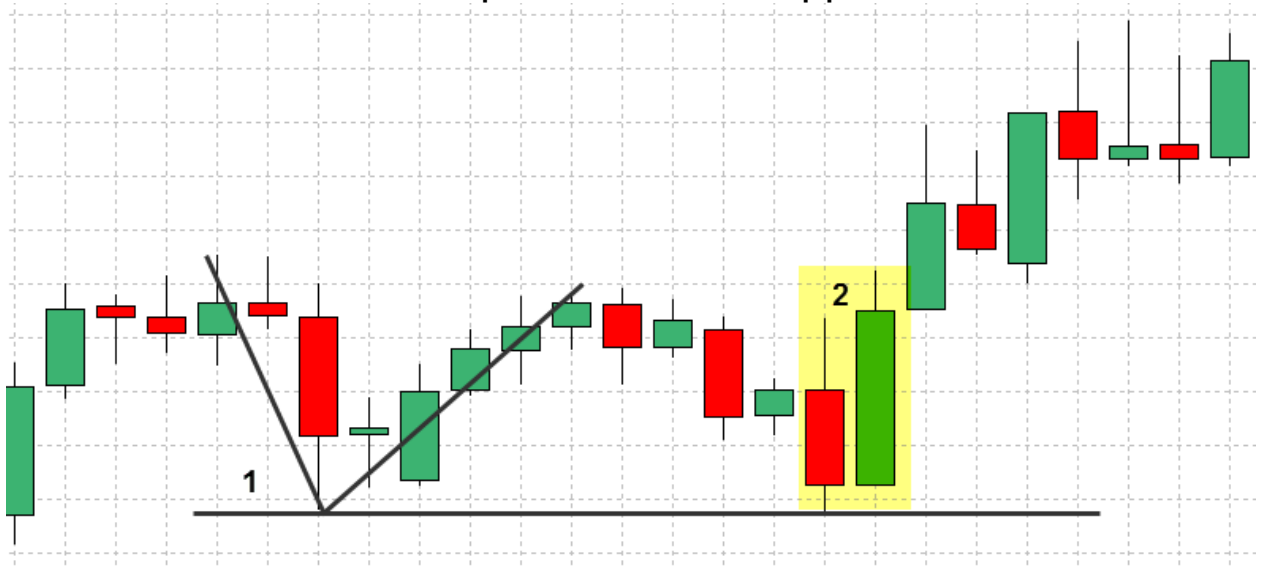
First Pattern is Pin Bar Pattern



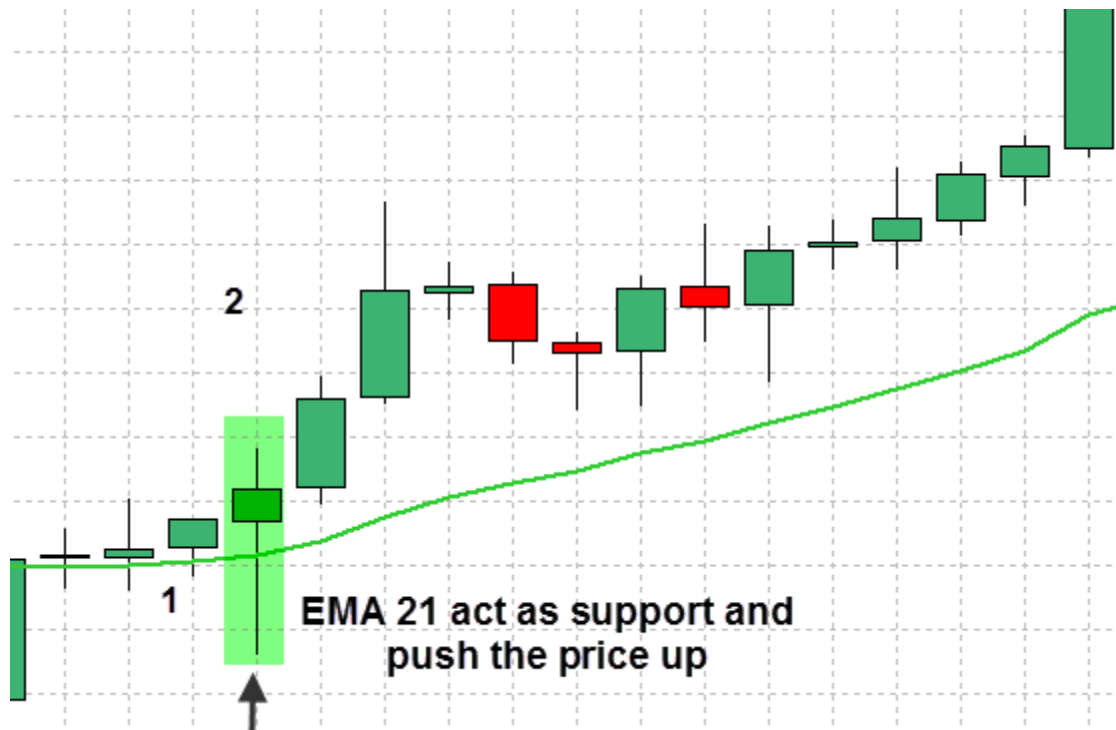
Second pattern is engulfing pattern

For buy:

- Price must approach the support zone
- Formation of candlestick pattern on the support zone.



- 1- Formation of V-pattern shows a support
- 2- Price approach on the previous support and bullish/buy engulfing pattern formed



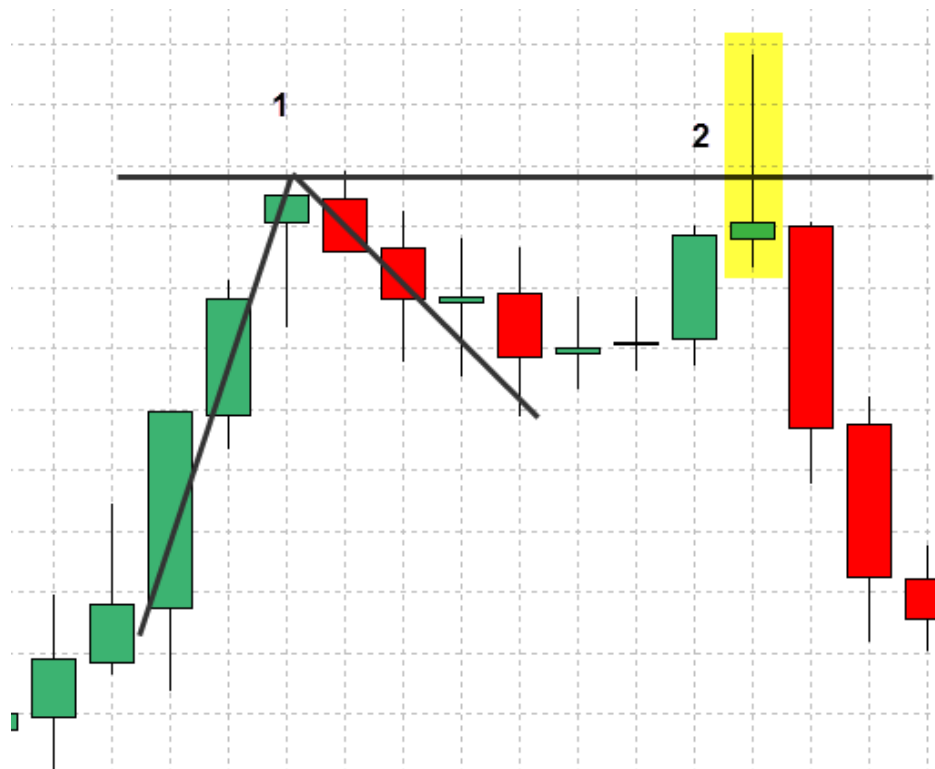
- 1- The price approach the EMA 21(support)
- 2- Bullish/Buy Pin Bar pattern formed

For sell:

- Price must approach the resistance zone
- Formation of candlestick pattern on the resistance zone.



- 1- Price touch/approach the EMA 21(resistance)
2- Bearish/Sell Engulfing Pattern formation



- 1 Price Touch the Resistance, 2 Formation Of Pin Bar Pattern

THE METHOD IN A NUTSHELL:

So, here is a basic outline of what you'll be doing with this method:

- 1. Identify Support and Resistance zone by using either one of the two methods. 1- V pattern or 2- EMA 21**
- 2. Method: 1- Stochastic crossover or 2- Candlestick Formation**

*****Adding others technical analysis can improve the accuracy of the signal.**

I hope you enjoyed reading this short, simple, FX FAST TRACK report on an easy way to identify and dominate support and resistance report. I wish you the best success in your trading career!

Best,
Tim Morris
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