TRADE SETUP MECHANICS

1. **DRAWING ROUND NUMBERS**

   Manually place horizontal lines for Round Numbers.

   (00, 20, 50, 80) don't forget the mid numbers (10, 35, 65, 95, you can draw this levels with a different color, the market also respect this numbers) this will give us our levels to watch, you can also add Floor Pivots lines, First Touch, etc. Remember to draw new lines as prices reaches zones where there is no round number levels drawn. Once we have this levels all our attention will be focused when price reach one of this round numbers and pass to second phase.
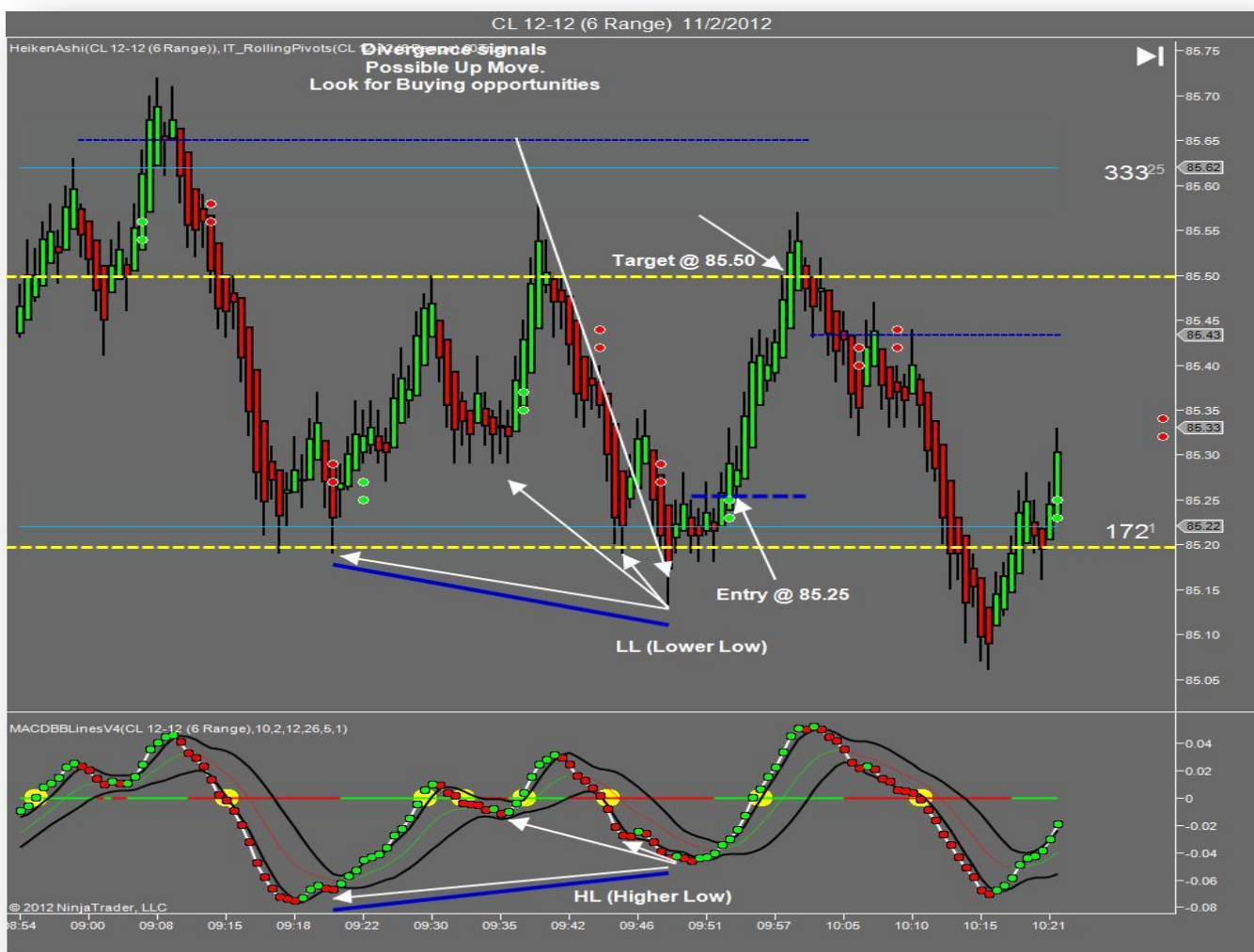
2. **SPOTING DIVERGENCE**

   This part is the most important in the process of this strategy, because a bar reading of a divergence can cost you money.

   How we spot divergence? first we start looking at the actual price and its location and you start screening backwards, you go from the short swings to the longer or more distant, backwards, now you look for a divergence comparing with the strength indicator (MACDBBLines) same logic.

As soon a divergence is spotted we have to move fast, if there is a buying opportunity we want to place our pending order long, 5-10 ticks above the price.

Check out how this trade developed.

We knew the level 85.20 would hold, how? Exactly at this level was occurring a divergence favoring long positions. I know that you already saw an immediate divergence for a possible short trade do you see it? Lower high (Price) and Higher High (Indicator) = Short. And this one also worked perfectly.

You could do this all day long and once you manage this strategy you come to the market sure that will take your money for the day.

3. TIPS AND CONSIDERATIONS

The correct usage of the MACDBBLines indicator will give you and unprecedented edge in the market.

This tool will let you know if the market will hold any level, pivot, Fib level, etc.
How? Let`s review it:

a. If MACDBBLines is not able to cross the 0 level after a run up or down this means movement will continue with the original trend direction. And an opportunity could be developing.

Price is in a down trend it retraces to test a Round number level but it was rejected.

b. MACDBBLines indicator crosses the 0 level.

When you see this level violently broken a change in the main trend is imminent and a reverse market could be positioning.

Market wanted to test new lows but first brought the price is higher is he could for later let the price fall taking a good amount of stops in the process and this traders been forced to close out their position put some extra gasoline to the fall it was a fall of about 160 ticks.

What about Stops and Targets?

Well I normally would say you are the trader you manage your trade, but I`ll let you know how I do it, I use a 15 – 20 tick stop loss protection, and my targets usually are round numbers depending on how strong I see the market. If I just wanted to close out my day faster I close my trades with 20-30 ticks.

Hope this helps.

JDNeeman-