

Defining the Strategy

As I have defined myself as a reversal trader. I will use the following indicators to aid my trading strategy:

Macd 9, Macd 21, Macd 50
Smart money concepts LuxAlgo
Fibonacci Retracement

Entry Parameters

My thesis is that in order to define a potential reversal there must be a consolidation somewhere and in this consolidation (must be at least 3 candles), a box will appear with a reversal candle.

Once price breaks out of the box that has been identified, I will await confirmation of said breakout by waiting for a retest of the box on the 2nd candle but closing above the box or the 2nd candle closing above the box.

Taking Profits

Initial stop will be at the base of the consolidation prior to the break above/below of the identified box.

Using the fibonacci retracement, I will then seek for a pullback to the 0.382 level where I will take partial profits of 50%. Then keep riding the pullback to the 0.5 level taking another partial profit of another 25% and keep riding the rest with a trailing stop.

Exit Parameters

Keep riding the trend until I am given a reversal signal such as a breakdown of a consolidation box and then exit the trade or it has hit the top of the fibonacci retracement.

Risk to Reward

By taking partial at the 0.382 level and the 0.5 level and riding the other 25%, I will be looking to take a 2:1 risk reward at 3% of the overall account and by using the indicators with the take profit along the way with the box system for breakouts to the upside or downside with the Macd indicators and the smart money concepts lux algo to identify fair value gaps with potential reversal I feel this would work over the long term.

Thanks very much for your time, professor. I await your response