

Kolachi Method 2 of Trading

Name: This Method be called as "Kolachi Method 2"©

Method: Place wma5,ema21,ema100,ema200 on your chart based on median price.Place median fibo lines 72,116.5,188.5 around the axis.

Signals: When wma5 changes its slope beyond a median fibo line and returns for pull back, place entry.When wma5 changes slope beyond the median fibo line exit from trade.

Whipsaws: Unlike other crosses this method has very few possibilities of whipsaws.The reason being the difference in the period of two MAs.Moreover our entry is not the cross itself but the change of slope of wma5.In case of whipsaw you will see the repulsion of wma5 from ema21 but you have already break even or locked few pips.

Comments:

- 1)Median fibo lines are average of two fibo numbers.
- 2)Axis of the system and median fibo lines is 200 ema.
- 3)This method is designed for 30M and 1H charts.
- 4)Use of any indicator is not necessary.
- 5)It works both in Trending and Ranging markets.
- 6)Strategy in ranging market is to place entry as per method and exit as per method.
- 7)In trending market,place entry as per method but exit on 100ema or 200 ema as per situation.
- 8.)In trending market as soon as wma5 is repulsed by higher emas, place entry and exit as per method.
- 9)Highly trending market is recognized by steep slope of higher emas which are parallel to each other.
- 10)Ranging Market is recognized by frequent crosses of higher emas.
- 11)ema55 is not used in this Kolachi Method 2.
- 12)For volatile currencies 116.5 and 188.5 are mostly used.
- 13)For less volatile currencies 72,116.5 median fibo lines are used.
- 14)Proper Money Management and proper use of Kolachi Method 2 guarantees success.