The Boomerang

NipThePips' Trading Method

Introduction

This method is what I like to think a mixture of a breakout method, with a little of the classic martingale strategy mixed in. The aim is to go for low profit goals, and to eventually let that profit come to you. The profitability comes from the magic of compounding (recommended money management is towards the end of this document), and that even though your pips might only be worth $10 today, the can be worth $1,000 tomorrow. I believe what makes this system unique is that it can catch small profits in a ranging market, and even catch big profits in a long trend. This system derived from about 1.5 years of re-doing, re-analyzing, re-writing, and a whole bunch of other "re's" from a system that I originally made a while back ☺ lol.

I like to think that the setup is very simple, and that the system on a whole is flexible for all types of traders. For traders that like to babysit and stare at their screen all day like it just killed their mother, will be able to watch their trades execute and enter new trades right after constantly. It allows the people who either don't like the stresses of watching their trades, or simply don't have the time to trade all day, to place their trade for the day…exit, and come back later and still have the opportunity to place another trade.

I hope you enjoy this method, and all criticisms are welcomed.

-Nip

Setup

- H4 Chart (GBPUSD or GBPJPY)
- H1 Chart (GBPUSD or GBPJPY)
- 18 EMA (Blue, Applied to Close, On H4 Chart)
- Excel WorkBook

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Entry Price	1.9936	Long		Direction
Entry price	at #.####	in the L/S		direction.

10 PIP PROFIT GOAL TRADING METHOD

Attempt #	Entry Pri	Direction	Take Profit	Stop Loss
1	$1.9936	Long	$1.9946	$1.9931
2	$1.9931	Short	$1.9916	$1.9936
3	$1.9936	Long	$1.9956	$1.9931
4	$1.9931	Short	$1.9906	$1.9936
5	$1.9936	Long	$1.9966	$1.9931
6	$1.9931	Short	$1.9896	$1.9936
7	$1.9936	Long	$1.9976	$1.9931
8	$1.9931	Short	$1.9886	$1.9936
9	$1.9936	Long	$1.9986	$1.9931
10	$1.9931	Short	$1.9876	$1.9936

The Trade

All entries are based off of the H4 chart; The H1 chart is only there to watch your trade a little bit more closely after you have placed it. This chart can be substituted with any time frame (lower than H4) of your choice, it is only there for reference. It helps if you have dual monitors or the similar, that way you don't have to constantly flip charts.

Entry — Long:

Criteria

- Price must be ABOVE the EMA on H4 chart
- Price must be ABOVE the previous H4 bar's median price

~~OR~~

For Re-Entry only

- PREVIOUS STOPPED OUT TRADE was a SHORT TRADE

Position Sizing, Take Profit(s), Stop Loss

This is where the excel work book comes into play. Let's say that you have met all of the criteria of a long trade. And the current price of the H4 candle is 1.9936. A couple of things before I move on, this current price is preferably the opening price right after the previous H4 candle closing...this is the price that must be above the median. After you have gotten that price, you would then enter it in the excel workbook where it says "Entry Price", the select which type of trade you are doing..."Long." The excel workbook will then update and tell you where to place your take profit and Stop Loss...yes that is only a 5 pip stop. The way you read it is your first trade should be entered at 1.9936, in the direction of long, initial take profit at 1.9946, and stop loss at 1.9931. IF that trade gets stopped out, your new trade would be SHORT at 1.9931, with a take profit of 1.9916 and a stop loss of 1.9936....and so on and so on. The thing is, eventually one of those trades will catch the breakout and the trade would ultimately be profitable (considering the take profit increases each trade).

Now you might think, 10 pips is a small profit to go for (or you might not think that ;)), so in order to compensate for that, there is a way to catch those big moves if you happen to get in one (this only works if the move is strong in that direction...it happens, but not that often). Once your trade reaches the 10 pip profit goal, you should then place your TRAILING STOP at +5Pips (this can be mental or an actual stop), the amount of your trail is based upon your risk profile. For example, if I placed a trade for 10 Lots, as soon as the price hit the +10 profit goal, I would exit 5 lots right there (or 50%), I would then place 2 lots (20%) at a 10 pip trailing stop, 2 lots at a 15 pip trailing stop, and 1 lot at a 20-25 pip trailing stop. This will give the trade some room to breathe and still have a lot catching the majority of the move. Don't be discouraged if you don't catch the whole move...your next entry is only one H4 Candle away ☺ . And worst case scenario is you exit the other 50% at a 5 pip profit...which if you know like I know, can still make you rich in the long run.

Here is a table to better understand:

Percentage of Position	Trailing Stop Size
50%	Take profit at 10 Pips
20%	10 Pips
20%	15 Pips
10%	20-25 Pips

You then have the choice to be finish trading for the day or wait for the next H4 signal ☺

Entry—Short:

Criteria

- Price must be BELOW the EMA on H4 chart
- Price must be BELOW the previous H4 bar's median price

~~OR~~

For Re-Entry only

- PREVIOUS STOPPED OUT TRADE was a LONG TRADE

Position sizing and other details are the same as in a Long trade, just reverse.

Examples

The above just shows examples of where the initial trade would be placed and what direction(This is an H4 Chart). Notice how there are only Long trades above the EMA and Short trades below...this is very important...this is not necessarily a counter trend system, even though it does have some counter trend qualities.

Actual Trade Example

Here is the four hour chart indicating we have an opening above the last 4 hr bar median, and also above the EMA (pretend that the bar is not fully developed, and that it is just opening, the highlighted bar is the current open, and the bar with the fib on it shows the last bar's median).

Since that bar opened at 1.9672 and this is a long that we are taking, we then enter that in the excel workbook.

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Entry Price	1.9672 Long		Direction
Entry price	at #.####	in the L/S	direction.

10 PIP PROFIT GOAL TRADING METHOD

Attempt #	Entry Pri	Direction	Take Profit	Stop Loss
1	$1.9672	Long	$1.9682	$1.9667
2	$1.9667	Short	$1.9652	$1.9672
3	$1.9672	Long	$1.9692	$1.9667
4	$1.9667	Short	$1.9642	$1.9672
5	$1.9672	Long	$1.9702	$1.9667
6	$1.9667	Short	$1.9632	$1.9672
7	$1.9672	Long	$1.9712	$1.9667
8	$1.9667	Short	$1.9622	$1.9672
9	$1.9672	Long	$1.9722	$1.9667
10	$1.9667	Short	$1.9612	$1.9672

So now we see that our initial trade will be long at 1.9672 with a take profit at 9682 (initial take profit). We place our order and see what happens:

M5 Chart

The trade was entered at 1.9672, luckily the stop was never hit the whole time and the initial take profit was reached, allowing us to close 50% of our position. Price continued to climb, the next 20% was closed at 1.9682, the next 20% at 1.9694, and the last 10% at 1.9690. If you were trading 10 standard lots you would of profited about $1,320 from this trade…a little over $660 per hour…which isn't bad. Later the price drops, wiggles around a little bit and then starts to rise.

Below is an example of a trade in which you will have to stop and reverse

The Four hour chart had the next candle opening ABOVE the EMA and the previous H4 candle's Median at 1.9782, so after placing the info in the excel chart we got the following:

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Entry Price	1.9782	Long	Direction
Entry price	at #.####	in the L/S	direction.

10 PIP PROFIT GOAL TRADING METHOD

Attempt #	Entry Pri	Direction	Take Profit	Stop Loss
1	$1.9782	Long	$1.9792	$1.9777
2	$1.9777	Short	$1.9762	$1.9782
3	$1.9782	Long	$1.9802	$1.9777
4	$1.9777	Short	$1.9752	$1.9782
5	$1.9782	Long	$1.9812	$1.9777
6	$1.9777	Short	$1.9742	$1.9782
7	$1.9782	Long	$1.9822	$1.9777
8	$1.9777	Short	$1.9732	$1.9782
9	$1.9782	Long	$1.9832	$1.9777
10	$1.9777	Short	$1.9722	$1.9782

So we place our initial trades:

UH OH! Then something happens:
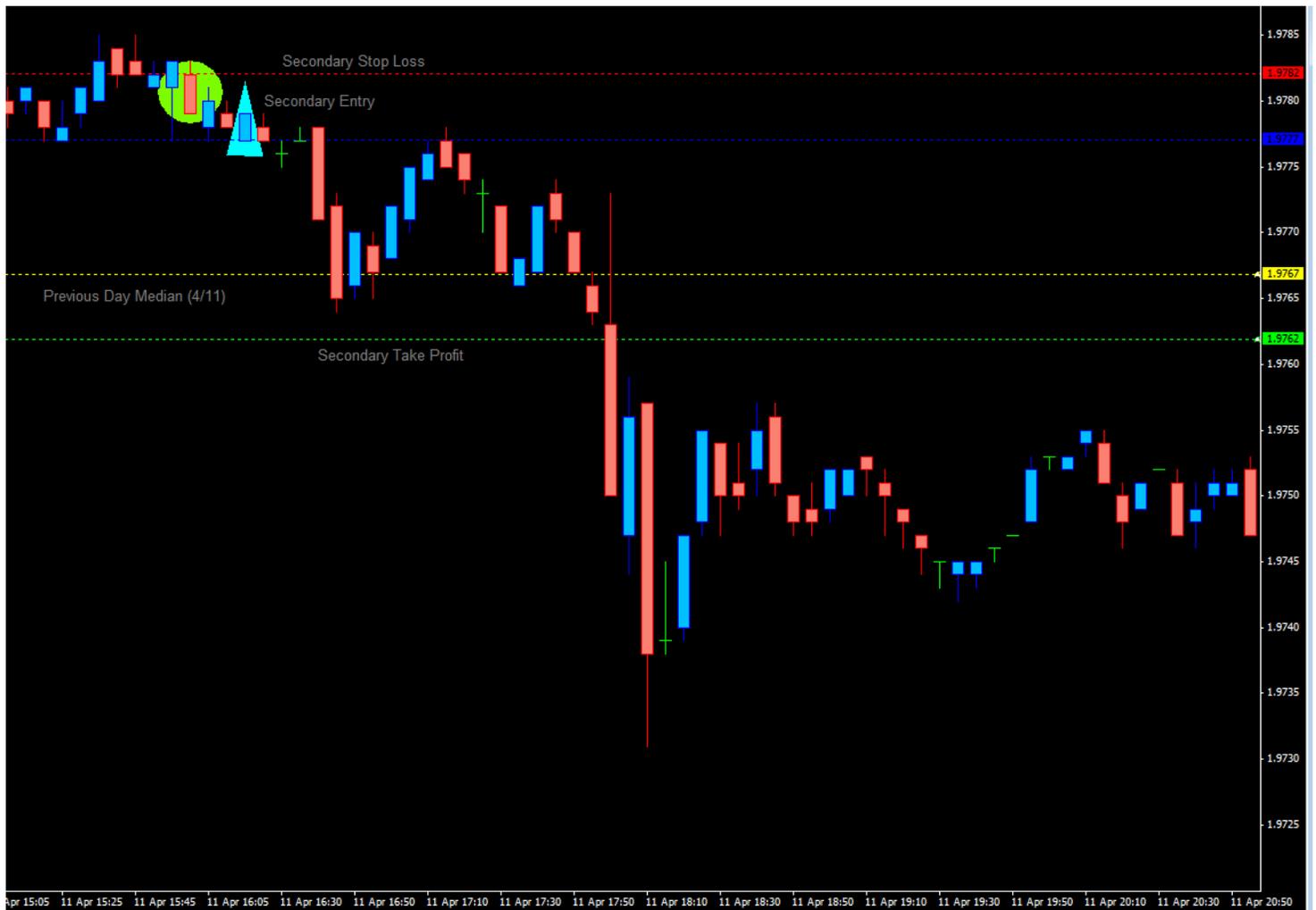
M5 Chart

The stop loss is hit and then an opposite order is placed. The new take profit compensates for the previous loss (of 5 pips) plus our original goal of 10 pips...so now it's a 15 pip take profit. Luckily this trade didn't whiplash again, 50% of the position was closed at Net +10 pips @ 1.9762, and unfortunately the other 50% was closed at net +5 pips because of a spike in the price. If you were trading 10 lots, you would of made about $750 dollars on this trade, about $375 an hour ☺.

The concept is the same if you would of gotten stopped again before your take profit was hit; you would of just entered long again and reset your TP and SL. I have had only one extremely bad wipe out (When all attempts failed), and that was when I was testing an older version of this method, I have yet to encounter one now. Not saying it can't happen though, but I know it is a very extremely rare case.

Tips and Tricks

1. You can use the fib extension tool (the F with the dotted lines) to find the median of the previous bar, just place it over the high and low of the bar and see where the 50% retracement ends up…if you edit the fibo plot, you can place %$ next to the description and it will tell you the exact place of the 50% line.

2. If your broker offers Stop and Reverse orders, or anything of the similar….these will BE EXTEREMELY HANDY. It will make your trading a lot easier.

3. Once you double your money, take out your initial investment.

4. Once you can afford it, make someone's day, especially someone that helped you before you made it, or someone you know that really needs it. Trust me, karma….IT DOES EXISTS.

Example of Money Management

This is not a detailed course on Money Management, for that outscopes the writing in this book. But it is a quick example of how with certain money management, once can become rich within a short amount of time with this system.

The rules are, you only increase your position when you increase your capital by the original amount you had (for example if your original capital was $6000 and you traded 1 lot, you would increase your position by one lot for every $6000 you make…so at 12,000, 18,000, 24,000, and so on and so on. Also this is assuming that you only make 5 pips net profit per day…so if everything goes to plan, your results should be higher:

Remember there are 220 trading days in a year….this spreadsheet covers 3 trading years (double click table):

Trade Number	Capital	Lots	Profit	
1	$6,000.00	1	$50.00	
2	$6,050.00	1	$50.00	
3	$6,100.00	1	$50.00	
4	$6,150.00	1	$50.00	
5	$6,200.00	1	$50.00	
6	$6,250.00	1	$50.00	

Just in case your are unable to read the embedded spread sheet, at the end of the three years, your initial investment of 6K will be close to a $1,000,000, if you only increase your position once your increase your capital of the original amount.

Conclusion

What I want one to see is that even if you don't use this system, you can become rich by being patient and taking baby steps. It is not necessary to catch every big move to be successful, just persistent small moves is good enough.

 The only thing you need to succeed is for you to know you already succeeded, and to be thankful for being blessed for your success BEFORE YOU ARE EVEN PHYSICALLY SUCCESSFUL. Gratitude is a key component of becoming successful. If you know your riches are already there waiting for you

in your heart of hearts, and you are thankful for that, your riches will come in no time…believe that with all your heart. Stay working for your goals, have a plan, have daily , weekly, monthly and yearly goals that you can achieve that will progress you towards your ultimate goal. Before you know it, once you complete all your daily goals, your weekly goals, your monthly goals, and your yearly goals, your ultimate goal will be right at your doorstep with some pepperoni pizza to celebrate…mmmm pepperoni ☺. Well Enjoy this system guys…I'm about to go eat some pepperoni pizza.