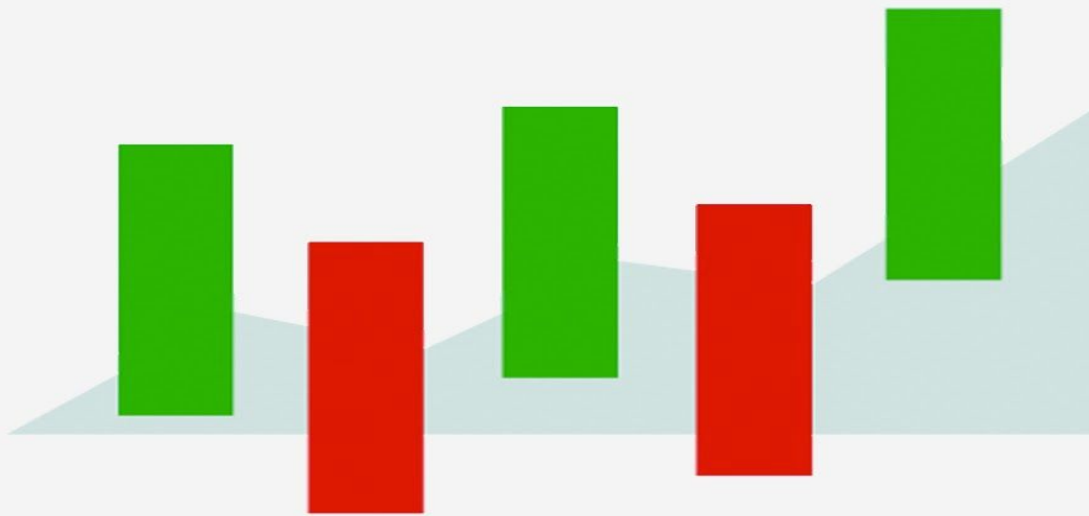


TREND BREAKER



STRATEGY GUIDE

*Simple Trading Method For Any
Market*

TradingStrategyGuides.com

I want to make sure you get the most out of trading.

Trading is fun, and should not be stressful. That is why I developed this simple, straightforward trading strategy.

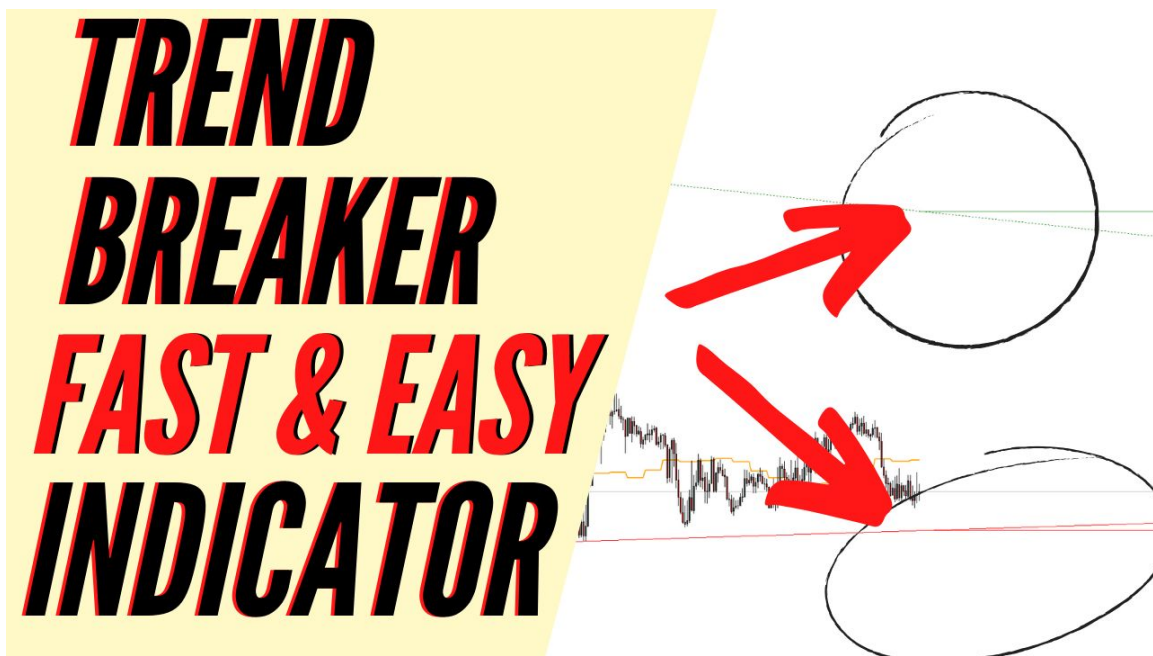
People tend to make things more complicated than it seems. After learning about this trading strategy you will see why it is so simple.

If for any reason you have a question about this trading strategy when reading it, you may contact us at info@tradingstrategyguides.com

WAIT..

Before you get any further we wanted to let you know we automated a trend breaker strategy for Meta Trader 4 and 5.

To see it go here tradingstrategyguides.com/trendbreaker



We developed a new Trend Breaker Indicator for Meta Trader 4 and 5 that AUTOMATES the strategy. Tap here to see more!

Before I introduce you to this trading strategy, let's see what tools we need for the job.

This strategy uses three indicators which are the following:

1. **MACD**- The inputs for this indicator are: Fast Length= 12 (represents the previous 12 bars of the faster moving average), Slow Length= 26 (Represents the previous 26 bars of the slower moving average), and Signal Smoothing= 9 (represents the previous 9 bars of the difference between the two moving averages. This is plotted by vertical lines called a histogram).
2. **Simple Moving Average**- The inputs for this indicator are: Length 8, Offset 0. (Red line)
3. **Exponential Moving Average**-The inputs for this indicator are: Length 20, Offset 0. (Blue line)

This strategy also uses three different time frames. They are the **4 hour**, the **1 hour**, and **15 minute** time frames. This top down approach uses these time frames to identify a trend, find a break out point, determine an entry point, and execute the trade.

Let's get started.

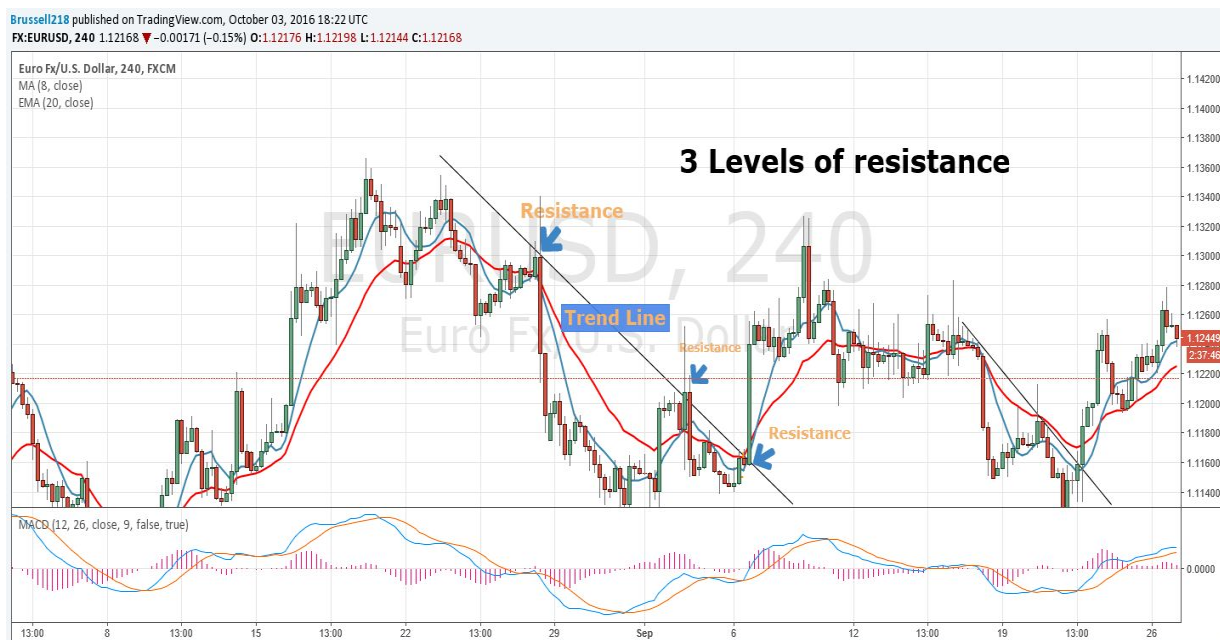
Step One: Identify a trend

First thing you need to do is identify an upward, downward, or sideways trend by switching to a **4-hour** and **1 hour** time frames. The reason both are used is that it will give you the best perspective in determining a trend

according to this strategy. Draw a trend-line so that 3 points of resistance or support was touched.

Since this strategy focuses on trends, a trend line will be drawn on the support or resistance lines of the trend. The criteria for a trend is that there needs to be at least **three** points of resistance or support.

As you can see on the 4- hour time frame below this clearly is a downtrend.



Below is the same chart only this is a 1 hour time frame. This is just to get another perspective of this down trend. It is good to do this to completely confirm this trend by identifying 3 levels of resistance.

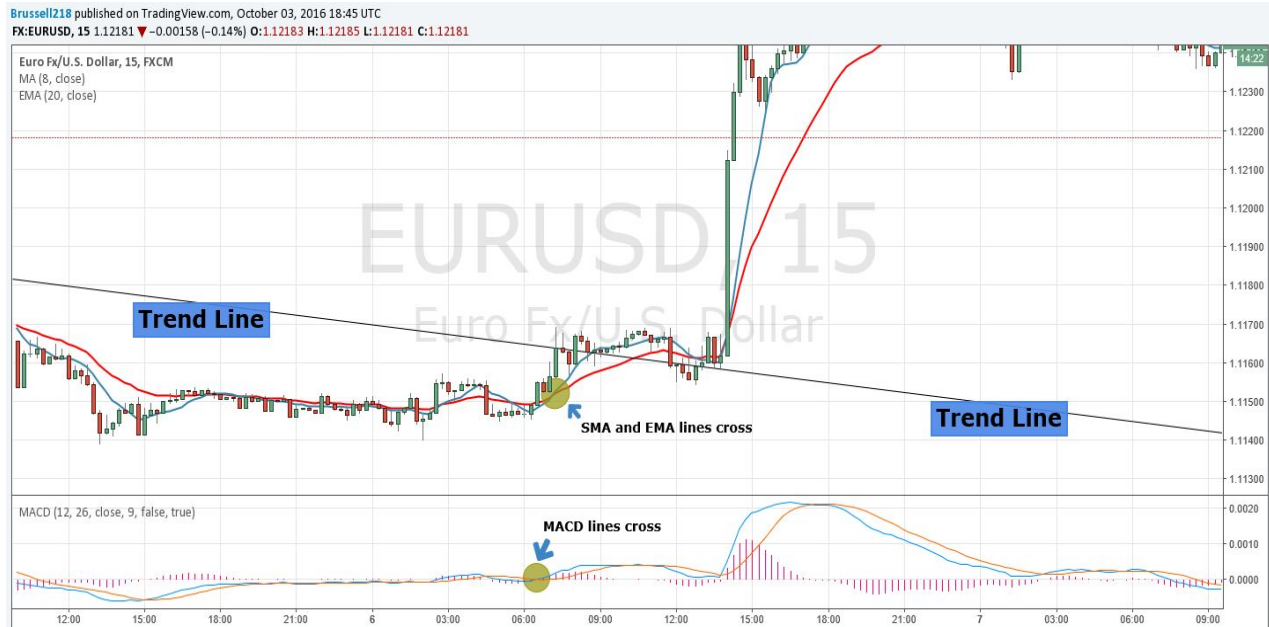
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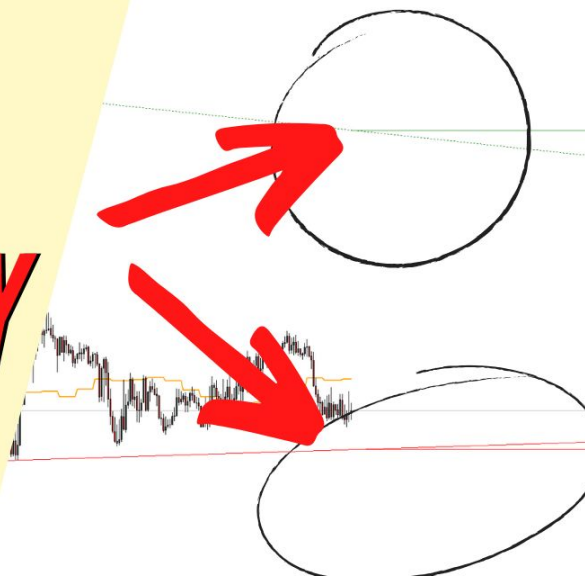
Step Two: Identify a Breakout point

In order to find a breakout point of the trend that was identified in step one, the strategy will use a combination of the three indicators (MACD,SMA, EMA) to identify a break out point on a **15 minute** time frame. This time frame is used because a trend was already identified in step one on the 4 hour and 1 hour time frames.

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***TREND
BREAKER
FAST & EASY
INDICATOR***



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As you can see in the chart above on the 15 minute time frame, the MACD lines were crossed. When the crossover of the fast length and slow length occurs, this will signal a new trend. This gave an indication that a trend was breaking. The moving average, and exponential moving average lines also crossed. So when the MACD lines cross and the simple moving average/ exponential lines cross wait until the candlesticks go above/below trend line that was drawn in step one, then **identify a point of entry** into the trade.

So looking at our example above the criteria was met to go to step three because the SMA and EMA crossed and the MACD lines crossed. Also the trend went upwards and hit our trend line. This is a signal to go to step three.

If neither of the indicators cross before the candlesticks close and hit the trend line then do not go any further because the trade does not meet the criteria of the rules. The indicators need to show that the trend broke **before** it touched the trend line.

Note* When our indicators are crossing, the trend needs to be heading toward the trend line that was drawn in step one. This is because the trend is breaking and a breakout is about to occur. When the breakout happens we will discuss when to make an entry.

Step Three: Identify a point of entry

Here is a list of the entry criteria:

These 4 things must happen to enter a trade.

1. Simple Moving Average Must Cross below the Exponential moving average.
2. MACD must cross
3. The price must break below or above trend line.

4. After the break of the trendline you must wait for 3 candles to close on the 15 minute chart before taking your entry.

Now we need to identify a point of entry. To identify a point of entry always use the 15 minute time frame in this strategy.

So in our example below, we see that there is an obvious stand-off between buyers and sellers on the trend line.

Once there is at least **three** candle sticks above or below the trend line, you execute the trade.

In this example there are three candlesticks that fell above the trend line after our indicators signaled that the trend was broken. At this point you want to make an entry. Again, this must always be done on a 15 minute time frame to show us that three 15 minute candlesticks closed above or below the trend line that you drew.



Once your entry point has been determined, then you can place your stop loss.

Step four: Determine where to place a stop loss

Place a stop loss past the last support and resistance levels in the trend itself. Again, use the 15 minute time frame to find this point of resistance or support level.

In the example shown below, place the stop loss below the last support level. This will ensure that if there was a bearish move, it will hit the last point of support and make a bullish move upwards.



You can clearly see that there are two levels of support in the above example. Use the support levels to determine the stop loss. The rules were to place the stop loss below the last support level which is why you see the stop loss below these levels.

Step five: Exit Rules

The plan clearly identified a trend, a breakout point, point of entry, and determined a stop loss. The final step is to determine the exit point of your trade. This strategy uses 1 risk to 3 reward ratio.

What that mean is you have the potential to make 3 times more than you are risking.

To do this you, the first thing that needs to be done is identifying how many pips there are from your entry point to your stop loss. So let's just say you had 24 pips in between these positions. Since we are using a 1 risk to 3 reward ratio, we would simply multiply the number of pips in between the stop and entry by 3. This would give us 72.

So 72 pips would be the target number for that trade.

As you can see in the example below, the target was hit with a gain of **+72 pips!**

The rules were followed, the ratio of a risk of 1 to 3 reward was put in place, and the trading strategy worked to perfection!



Conclusion:

This Trend Breaker Strategy is simple and yet effective. There is no need to stress and worry that you made the wrong trade. You follow the rules

and do not let anything else make you back out of a trade. If it follows the rules, execute the trade with confidence.

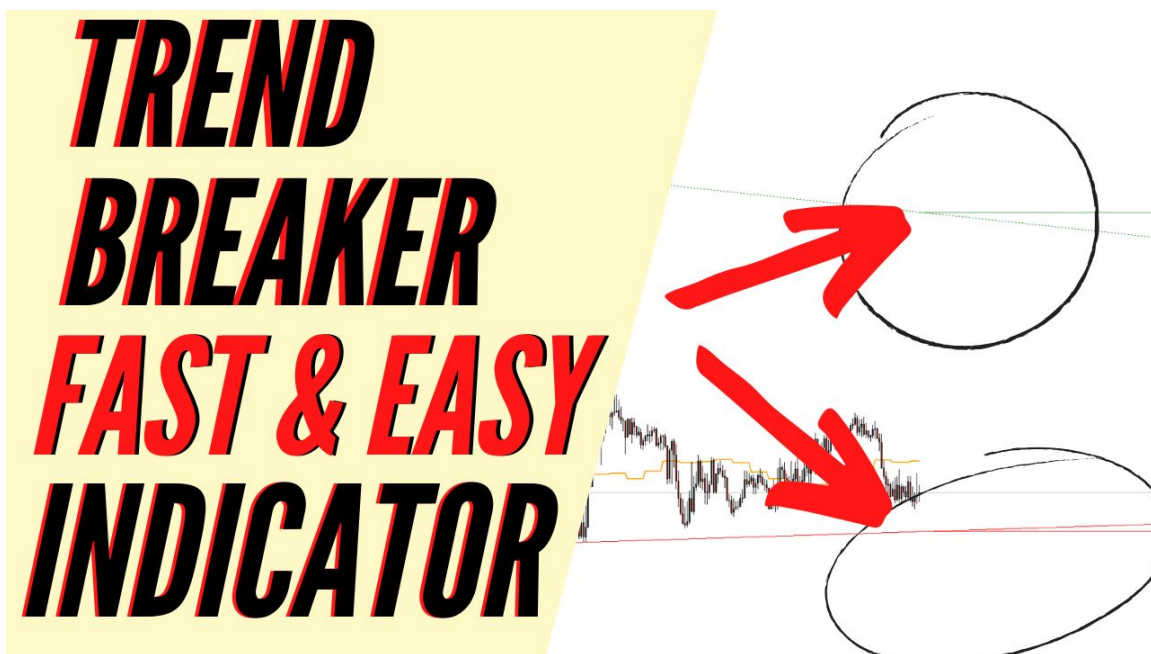
Always remember to only be risking no more than 2% of your account!

This will help you identify daily trends and points where they break. There is no need to force yourself into a trade. If it does not follow your rules and guidelines then search for another pair to trade.

If for any reason you had any questions, or suggestions about this strategy you can always reach us at info@tradingstrategyguides.com

Thank you for reading and I wish you the best of luck in trading.

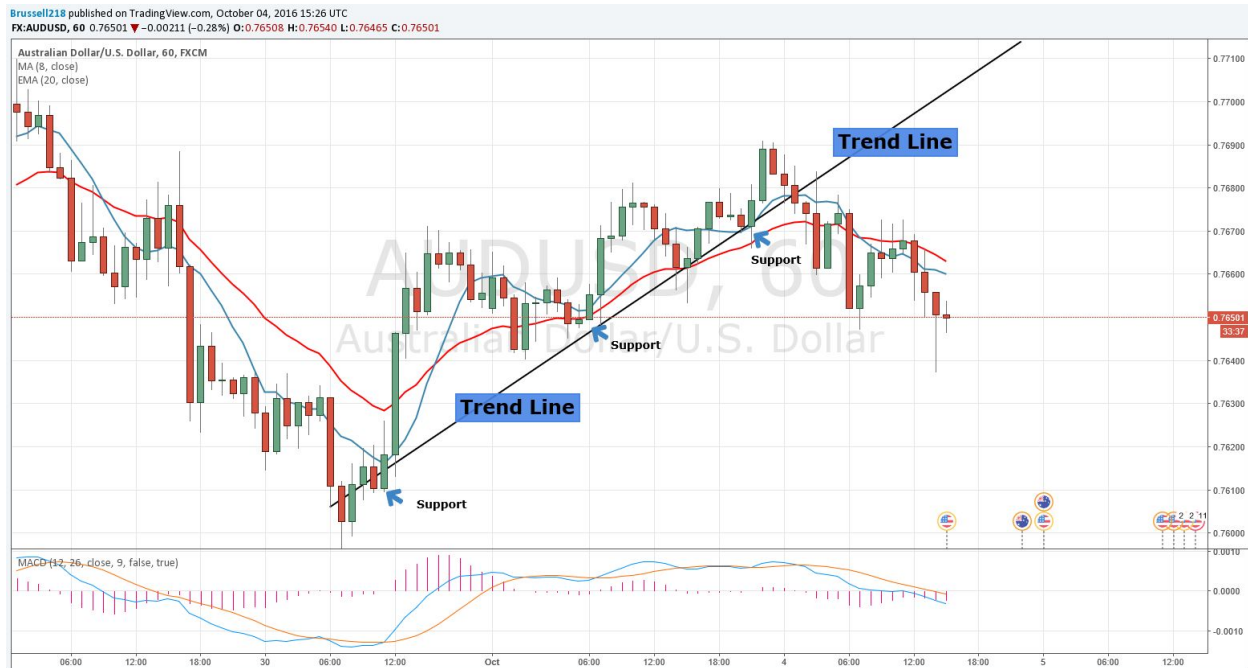
If you would like to see more examples of this trading strategy, below are two more great illustrations of this!



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Example #1: Uptrend break

The Trend has been Identified by three levels of support.



The indicators cross before trend line. Which is a signal that once three candlesticks close below that trend line we make an entry.

Three Candlesticks close after trend line. This meets the criteria to enter the trade. Since the uptrend trend has broken you will sell this trade.

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Enter the trade after the three candlesticks close below the trend line.

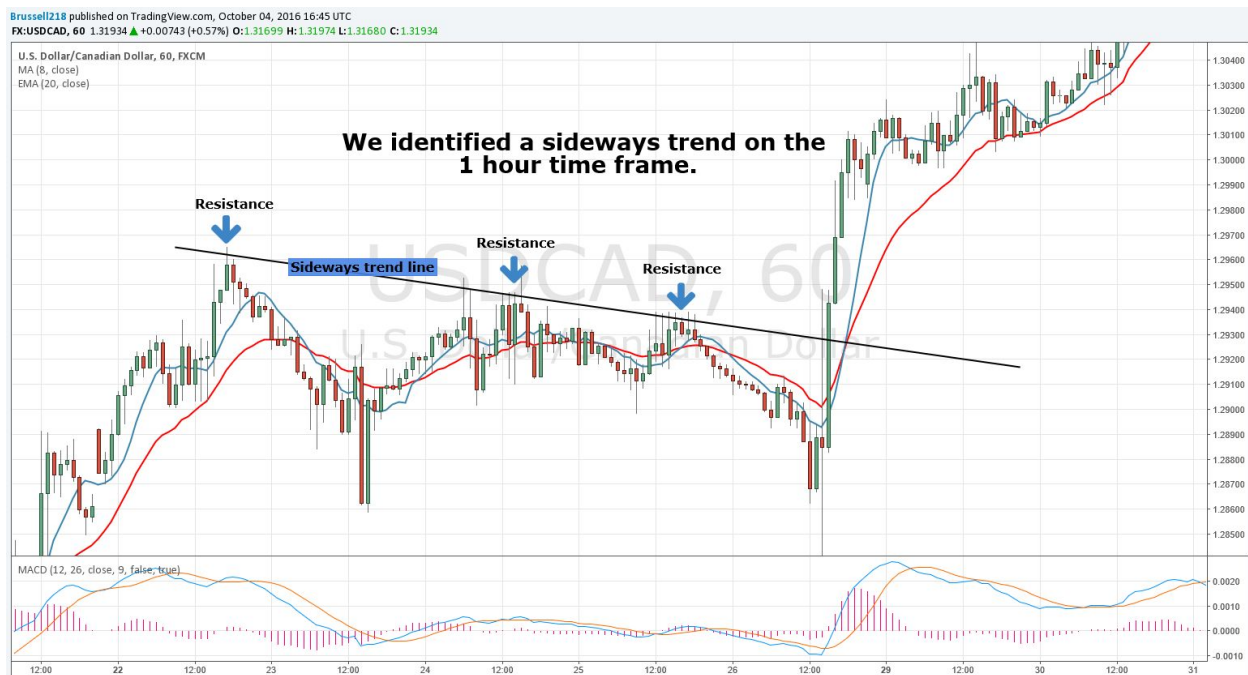


Set your stop loss based on the rules and calculate your risk/reward. You can see below where the last point of resistance was. That is why we put the stop loss above this point since that is what our rules tell us to do. As

you can see the trend did in fact break downwards and this trade was a profit of +35 pips!

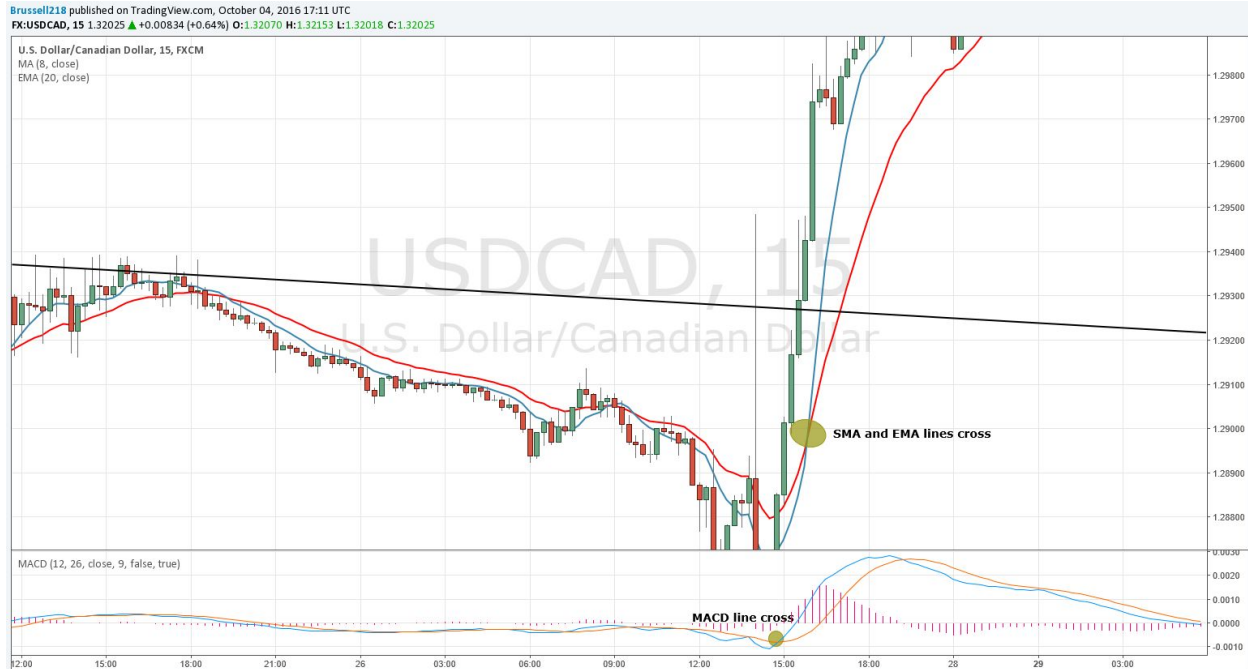
Example #2: Sideways trend break

First thing we did was identify a trend. This trend is a sideways trend with three levels of resistance. This was identified on the 1 hour time frame.

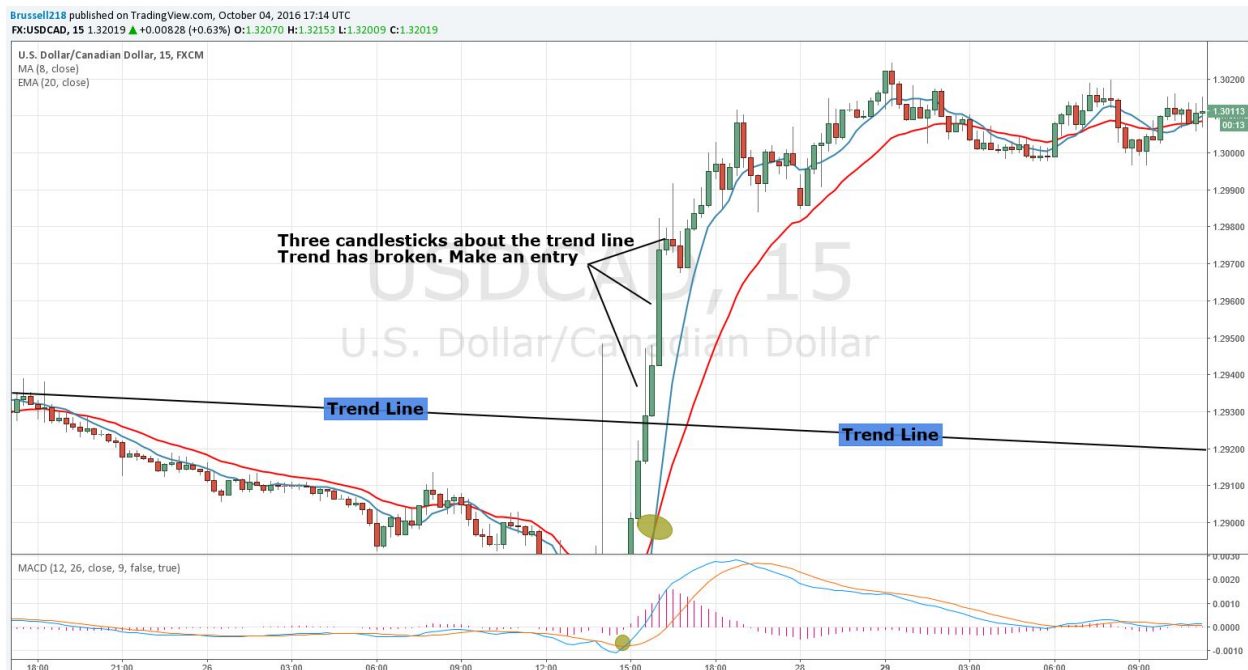


The indicators cross before trend line. That is a sign that this trend is breaking based on our rules!

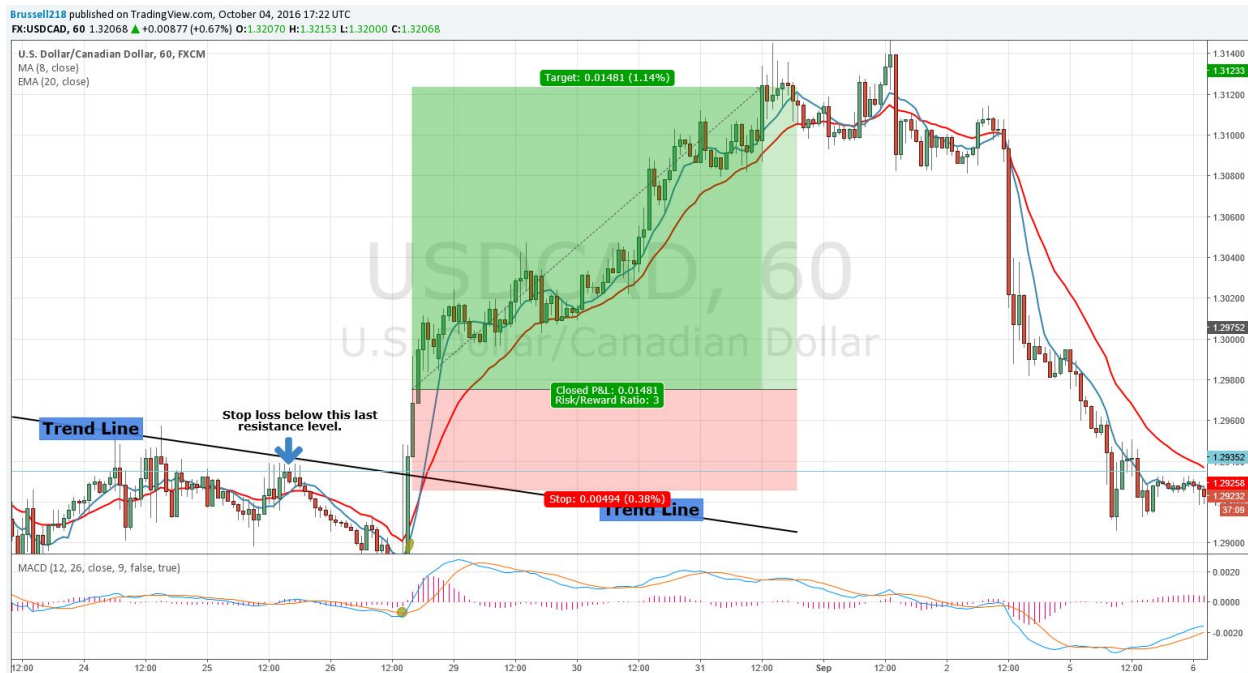
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Three Candlesticks close after trend line. This meets the criteria to enter the trade. Since the sideways trend has broken you will buy this trade after the closing of these candlesticks.



Set your stop loss based on the rules and calculate your risk/reward. This trade was a profit of + 148 pips!



Thanks and look for more Guides to be released in the future if you have any strategies you would like us to cover let us know.

info@tradingstrategyguides.com

WAIT! if you enjoyed this strategy then you will LOVE our new indicator we developed.

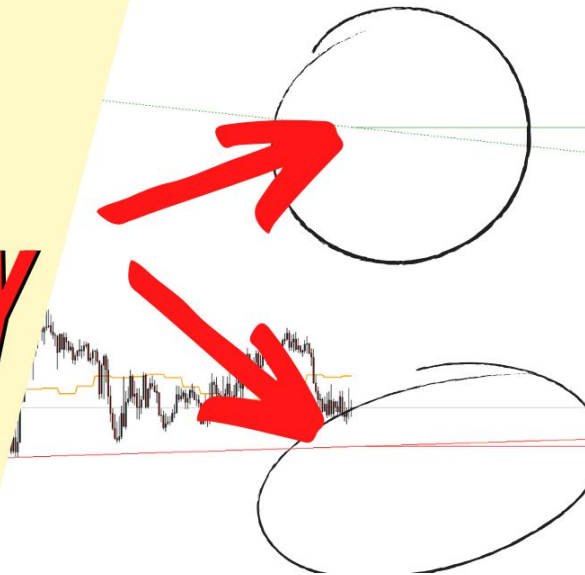
The indicator will automatically paint trendlines on the chart



It is a perfect fit for you if you are interested in this strategy

To see more [click here](#) or visit tradingstrategyguides.com/trendbreaker

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We developed a new Trend Breaker Indicator for Meta Trader 4 and 5 that AUTOMATES the strategy. Tap here to see more!