MOVING AVERAGES WEB ANALYZER STRATEGY GUIDE

J-ROCK's MAWA STRATEGY | By Justin Frazier (J-ROCK), Master Trader (20 yrs. experience)

VIDEO: J-ROCK Moving Average Web Analyzer Strategy

INSTRUCTIONS FOR USING THIS GUIDE

1. Watch the video in the link above and refer back to this guide sheet as needed
2. The video is an in-depth analysis, the guide sheet is not
3. This sheet is a quick reference guide to study key terms and ideas
4. Pause the video and rewind as needed to make sure you are really grasping a clear understanding of the Moving Average Strategy
5. Watch the video more than once! 5 times is when things sink in

WHAT WILL YOU LEARN

How to increase your probability for a profitable trade utilizing the Moving Average Strategy explained in this video along with the Web Analyzer algorithms. When you combine them together you can see where the reversal or breakout/breakdown is about to take place, which will give you an opportunity to get into a trade at a much better entry point, thus increasing your chances to profit almost immediately.

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GOLDEN NUGGETS

Traders move the markets based on several factors:

- Support or Resistance: Horizontal Lines (Basic analysis)
- Channel Trends: Diagonal lines (Basic analysis)
- Price Accumulation Zones: Supply & Demand (Intermediate Analysis)
- Fibonacci & Forks: Combination of the above (Advanced Analysis)
- Moving Averages: Price average lines (Advanced Analysis)

The KEY is to see what is coming based on the Advanced Analysis and set your STOP or LIMIT orders there. That requires patience because we feel like we MUST be in a trade or we are missing out! FOMO! Utilizing the Moving Average Strategy will take your trading to the next level, the highest legal probability, right below the Stop Hunters (the Market Makers themselves).

WHAT IS A MOVING AVERAGE?

A Moving Average is a line created by taking the average of the closing prices of the last group of candles based on that moving average number and putting a dot then connecting the dots as each new candle forms. There are several types: Simple, Exponential, Weighted, Volume Weighted, etc. This Strategy employs the Simple or SMA's.

How do Moving Averages form?

The average is simply taking the number of candles that the Moving Average number represents, let's say (100) then adding all of their closing prices together and dividing by that number (100). It gets a number (the average) and puts a dot at the last candle position. When the next candle forms, it disregards the first candle from the last 100 group and starts the calculation again and puts a dot. Then the dots are connected.

Fortunately, we don't have to worry about doing any of this math because the software does it for us!

Moving averages across multiple TIME FRAMES (TF's)

Moving Averages can be used to identify entry/exits on all time-frames. When you hear someone say "The 50-period moving average" they are referring to that moving average in general so as not to confuse you. There are multiple time frames (1 minute, 5 minute, 15 minute, 30 minute, 1 hour, 4 hour, 1 day, 1 week, 1 year, 5 years, etc.), so the 50 period MA on the 5 minute chart takes the last 50 5-minute candles, whereas on the 1 day chart, it takes the last 50 1-day candles.

The most commonly used MA's and their colors for when you are watching J-Rock LIVE are:

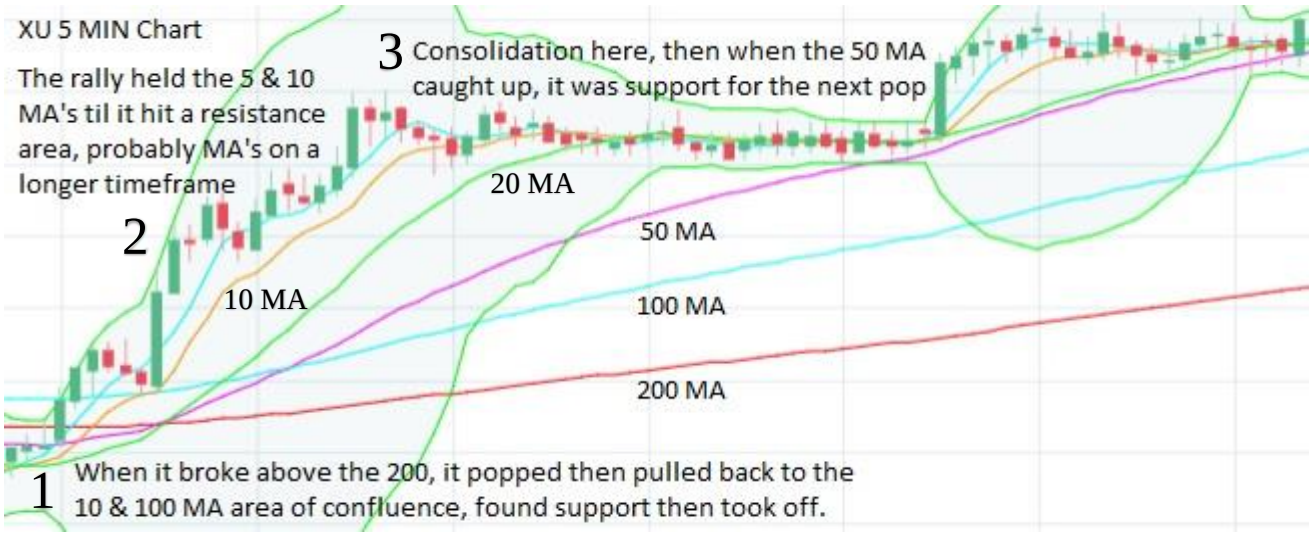
- The 5 period MA. (Minor) (Light Blue)
- The 10 period MA (Minor) (Orange)
- The 20 period MA (Intermediate) (White)
- The 34 period MA (Intermediate) (Yellow)
- The 50 period MA (Intermediate) (Purple)
- The 100 period MA (Major) (Light Blue)
- The 200 period MA (Major) (Red) (The battle line or last line of defense for a trend)
- The BOLLINGER BANDS (Standard Deviation 3) (Includes the 20 SMA already)

My Highest probability TF's

- The Higher TFs (Day, Week & Month) will determine the overall direction a pair will go.
- The Lower TFs (1 min – 30 min) will determine the tightest entry/exit.

- While most people can't stomach the volatility of the 1 minute TF, it's OK to use the 5 minute TF.
- The 30 minute and 1 hour TF's are excellent for predicting a longer move which can help capture 30-150 pips.

- You will want to watch the candles when they get on top of the 5 & 10 (Minor MA's). When they hold that support, it will indicate a strong trend taking place.
    - If it holds the 5 MA it is the strongest.
    - It could hold the 5 MA for a few hours on the 30 minute or 1 hour TF.
    - The first pullback will be to the 10 MA, then it will continue the trend.
    - The 2nd pullback will usually be to the 20 or 34, then continue back in the trend.
    - When it approaches the 50, 100 or 200 on a longer TF, then that will be the reversal point where you will exit and jump in on the reversal.

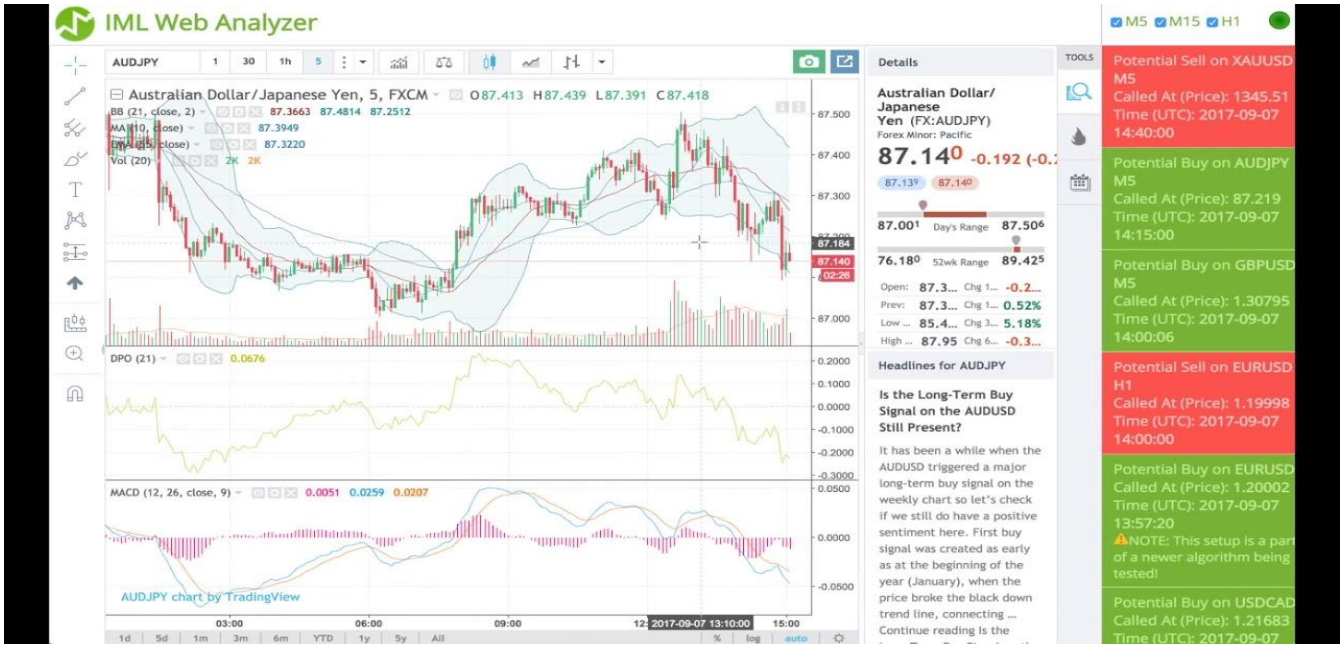


WHAT IS THE WEB ANALYZER?

The Web Analyzer creates signals based on an algorithm that releases volume signals that represents the number of buyers and sellers coming into the market or a pair that is unseen but a vital part of the algorithms.

Two main indicators used in the Web Analyzer are MACD and Stochastic crossover. They are basically beginner indicators, and they are called lagging indicators because they tell you what has already taken place to increase the predictability of the trade direction.

Therefore, when you utilize J-Rock's Moving Average strategy in conjunction with the Web Analyzer, you will have a much higher probability to profit sooner, which should increase your confidence in the trades you enter. (Credit: IML WEB ANALYZER)



WEB ANALYZER STEPS

TIP: Always do your due diligence. Look for the right setup before entering a trade.

What should you do first when analyzing any trade pair?

A new Web Analyzer signal comes in for a EURUSD SELL. What should you do next?

- Look at the MONTH, WEEK & DAY TFs to determine long term direction
- Look at the 4 hour, 1 hour & 30 Minute TFs to see potential MA support/resistance
- Look at the 5 minute & 15 minute to determine the tightest entry point

Note: Just because the WA gives a signal, it does not mean you are to execute it right away without a full analysis. It may give you a signal for one direction based on the volume spike and algorithm, but the actual entry may be best for the opposite direction due to the MA support or resistance.

THE 3 MAIN INDICATORS

TIP: Always cross reference before entering a trade. Use multiple indicators and timeframes.

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1. RSI - RELATIVE STRENGTH INDEX

White line in the middle is your relative strength indicator that will tell you when it gets into the areas mentioned below it is close to being time for a reversal.

RED LINE at 70 or above is OVER-BOUGHT territory, which means it's close to or time for a sell.

GREEN LINE at 30 or below is your OVER-SOLD territory, which means it's close to or time to buy.

MID-LINE at 50 is unseen on the RSI chart but is a support or resistance level. When a pair is up trending, it will channel between the 50 and 70 with occasional hard moves taking it below the 50 or above the 70, which create excellent reversal entry points. When a pair is down trending, it will channel between the 50 and 30 and the opposite is true.

Note: If it's high is at the 70 line or over the 70 line, then it's in overbought territory and the red signifies that it is potentially ready for a sell. However, it doesn't always mean that its ready for a sell right away! You have to take into consideration your other time frames and your signals because sometimes it can get up and ride above the 70 line if there's a lot of buying pressure and stay in overbought territory or get below the 30 line if there's a lot of selling pressure and ride under it for an extended period of time.

So, always cross check time frames and another indicator, which brings us to moving averages.

2. MOVING AVERAGES INDICATORS

I explained earlier about the types that I use and their colors, but you can use a different color for each moving average you set on your chart.

The higher numbered MAs like the 50, 100 & 200 will move much slower because they have many more candle closing prices to take into consideration to give you a smoother line.

The lower numbered MAs like the 5 and 10 will ride more closely with the candles, and that is how you're going to determine an entry or exit when a signal is given by the Web Analyzer.

Traders will move the market based on lines of support and resistance. What are they using to help them determine lines of support and resistance? The Professional answer is clear.

3. BOLLINGER BAND INDICATOR

Bollinger Bands have the wavy lines that are outside of the pair. Treat this like a road that you are traveling on. They are a measure of price action and volatility taking place and it causes the lines to make waves as it goes along due to the volatility of the pair and the price movement.

If the price overruns your Bollinger Band it will generally pull back in by reversing a bit or trending sideways for the MA's to catch up, then proceed in the direction of the push.

The normal Standard deviation is 2, but when you set it to 3, you will see the Bands widen more and give you a cleaner look. When a pair jumps and hits the band on a setting of 3, the probability for a reversal goes way up compared to that of a 2 setting. - **NOTE**: It doesn't always reverse if a long-term TF shows a major reversal is due, then it can ride on the outside of the Bollinger Band for several hours, so be careful.

DOUBLE BUY OR SELL

With Bollinger Bands, you can create double buying opportunity or a double sell if the first swing point penetrates the band, but the second swing point does NOT penetrate. That creates a double swing point reversal signal.

BOLLINGER BREAKOUT POTENTIAL

When the Bands squeeze together, that is an indication that a breakout or breakdown is not far off.

ANOTHER GOLDEN NUGGET

When a longer TF candle opens, the majority of the time it seems to go the opposite way of the trend first in order to put in a wick, then it will reverse quickly and continue the trend. With 1 hour to Day TFs, it can put in a wick that is 10-50 PIPS before reversing to put in the body of the candle and wick for the other end. The week and month TF can put in 50-200 PIPS then reverse.

PIP CALCULATION CHART

This chart is vital to your success! We all want to profit and profit BIG, but if you do NOT start with .01 micro lots, you will quickly find out how powerful the beast is that comes to consume your account. Trade conservatively for as long as you can and then you will learn when to take a slightly increased risk. If you continue to be risky, then it will eventually come back to bite you! Slow and Steady wins the race!

	LOTS	VALUE	PIPS	P/L
MICRO	0.01	$0.10	100	$10
MINI	0.1	$1.00	100	$100
STND	1	$10.00	100	$1,000
	5	$50.00	100	$5,000
	20	$200.00	100	$20,000

EU	1.23456	A	WHOLE	1
	A.BCDEF	B	TENS	2
		C	ONES	3
		D	TENTH	4
	PIP	E	HUNDRED	5
	MICRO	F	THOUSAN	6

.01 LOT	FROM	TO	PIPS	VALUE
EU	1.22000	1.22100	10	$1
		1.23000	100	$10
		1.27000	500	$50

.10 LOT	FROM	TO	PIPS	VALUE
EU	1.22000	1.22100	10	$10
		1.23000	100	$100
		1.27000	500	$500

1.0 LOT	FROM	TO	PIPS	VALUE
EU	1.22000	1.22100	10	$100
		1.23000	100	$1,000
		1.27000	500	$5,000

FINAL POINTS

TIP: Whenever you have sideways trading, it's called consolidation and you're not necessarily going to do very well making money because there's no trend developing.

ADDITIONAL RISK MANAGEMENT

Stop Losses Helps Protect Your Profits and Mitigate Your Risk

Stop losses, which you should know if you're trading, should be one of the first things you do. A stop loss is generally set at 30 points away from entry point, but you have market makers and manipulators that will have a lot of money and they will move a currency and do what's called stop hunting. They'll move a pair 30 pips suddenly and take out your stop-loss and then turn around and go back the other way. It's happened to me and I'm sure it's going to happen to you.

I've even seen a 100 point move in 30 seconds. If you have no SL or are overleveraged, you are done!

This quick reference guide was created to help you remember some important key factors. This is not an exhaustive study guide. Please do not just jump into a trade when a signal comes. Use other indicators because the signal is like a black box program or a creation that is determined by algorithms that are set to help you make higher probability trades.

The Web Analyzer was created to provide signals and it has STRATEGY TEMPLATES to help you make more sound trades with higher probability for you to get into profit quicker without having too much of a drawdown. Be careful and trade smart.

Utilizing J-Rock's Moving Average Strategy along with the Web Analyzer can be extremely beneficial to your trading endeavors. If you learn J-Rock's Moving Average Strategy you can potentially be more profitable in your trades.

MOST GOLDEN NUGGET

I've left so much money on the table, it's not even funny! 9/10 times, it moves 30-50 PIPS then returns to its place. 1/10 times, it actually breaks and moves 100 PIPS. By always looking for the BIG move, I've watched my profit go up then return to negative. The key is to play the smaller moves because you'll make much more by picking up the $10 & $20 bills along the way rather than holding out for the $1000 payday!

Thank you for watching the video, and I hope you learned a lot from this and you will be able to go forth and apply this strategy to your future trades!

To Mastering Your Trades & Manifesting Your Profits!

J-Rock