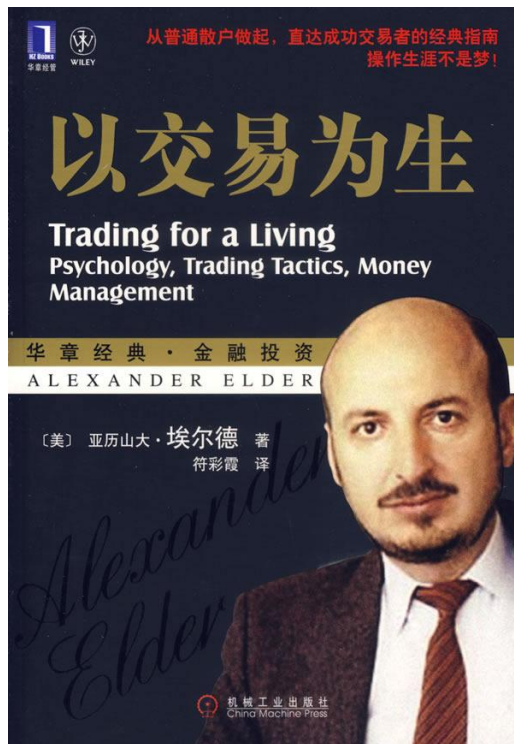




WELCOME!



**ALEXANDER ELDER'S
"TRIPLE SCREEN"
STRATEGY**

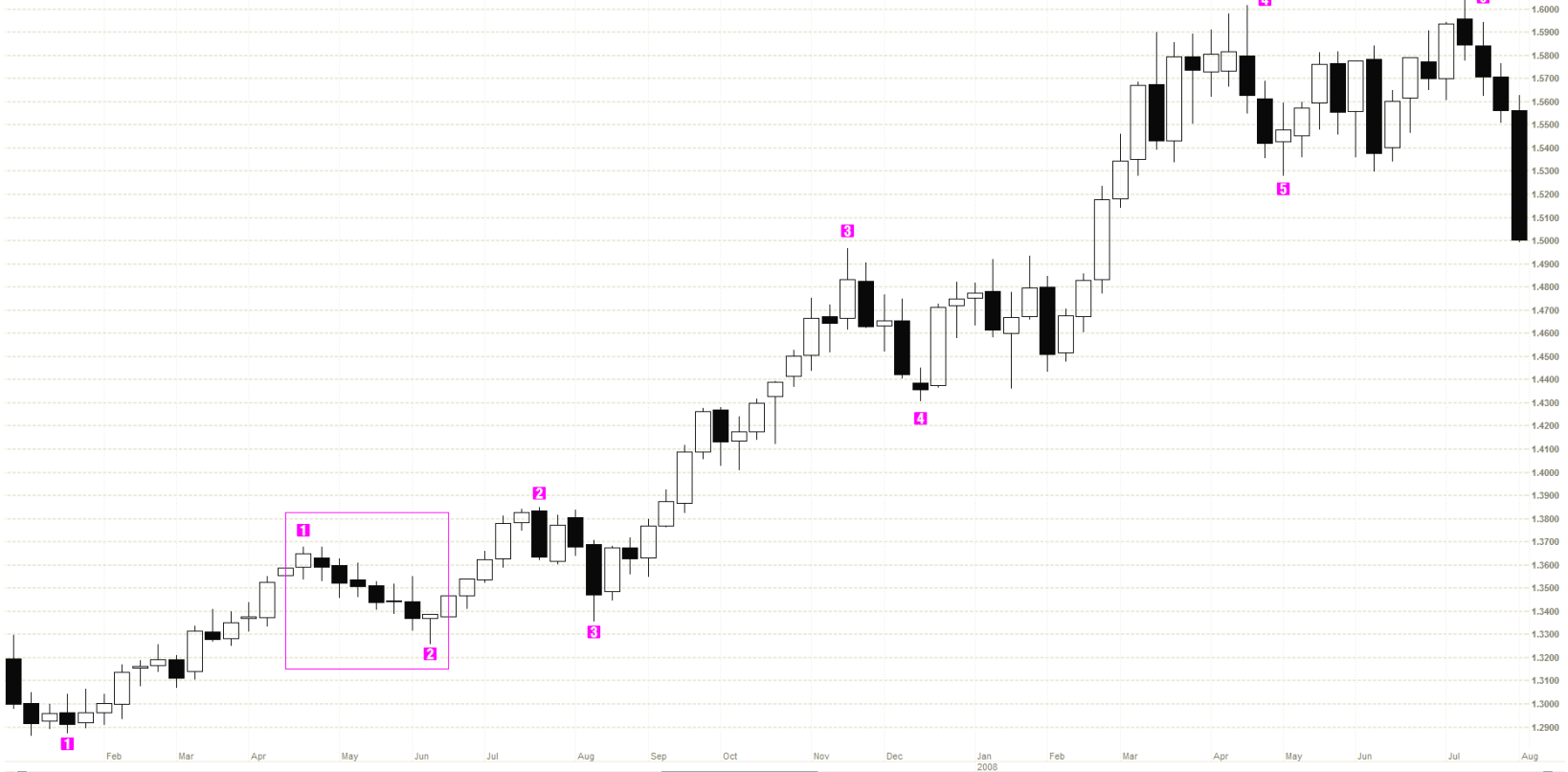


**Trading for a Living.
Psychology, Trading Tactics, Money Management.**

- 1. Brief introduction to the strategy**
- 2. Trend direction on different time frames**
- 3. Conflicting signals of technical indicators**
- 4. Strategy rules**
 - a) Defining the direction of major trend**
 - b) Defining the end of correction**
 - c) Market entry technique**
 - d) Position management**
- 5. Practical examples**

Problem #1: Trend direction

EUR/USD Week Bid/Day (1.1155)



Different trends on different time frames



- 1. Trend Indicators:** MA, Alligator, Ichimoku, Bollinger Bands, ADX
- 2. Oscillators:** Stochastic, RSI, Momentum, CCI, MACD
- 3. Other Indicators:** Volume, ATR

Conflicting signals of technical indicators



- **Major trend**
- **Intermediate (secondary) trend**
- **Short-term trend**

Major trend



Intermediate (secondary) trend



Short-term trend



Long (4-5 times longer than Medium)

Medium

Short (4-5 times shorter than Medium)

Monthly
Weekly
Daily

Weekly

Daily

4(6)H

1H

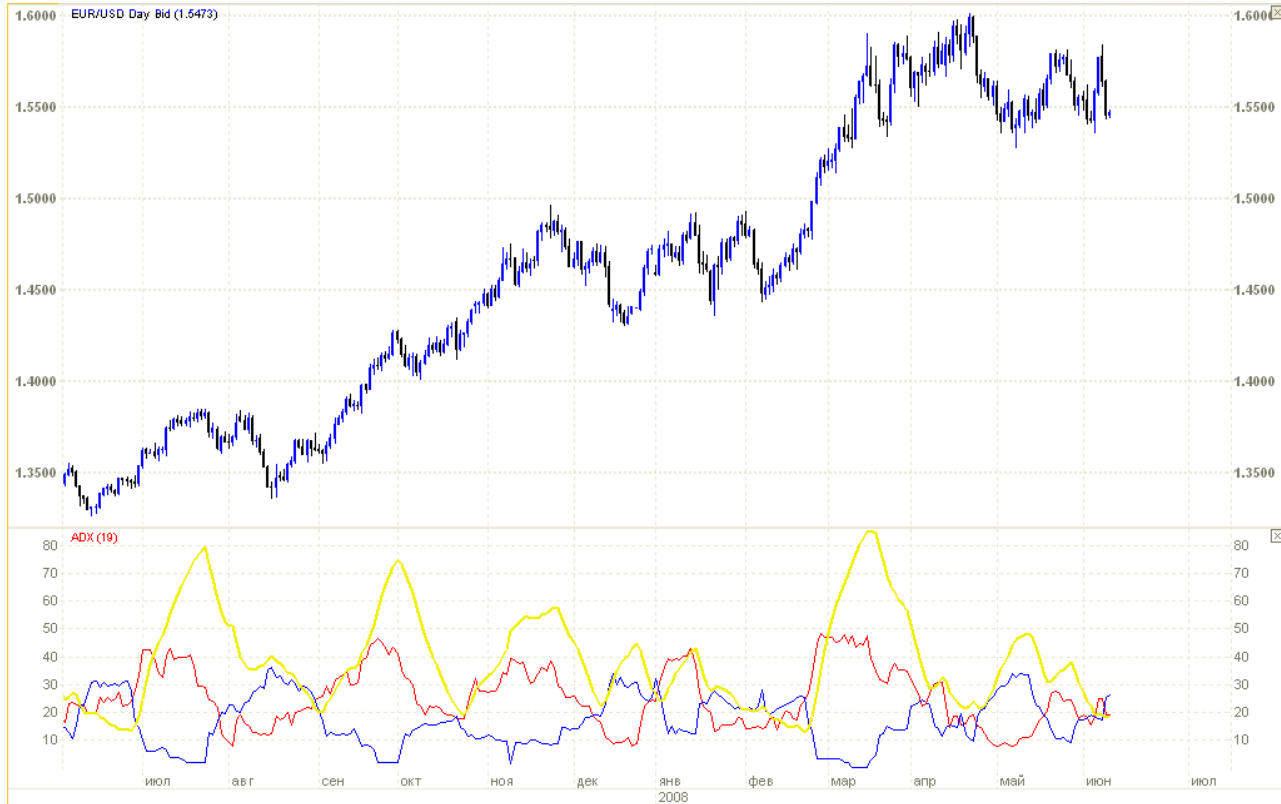
10(15)M

2(3)M

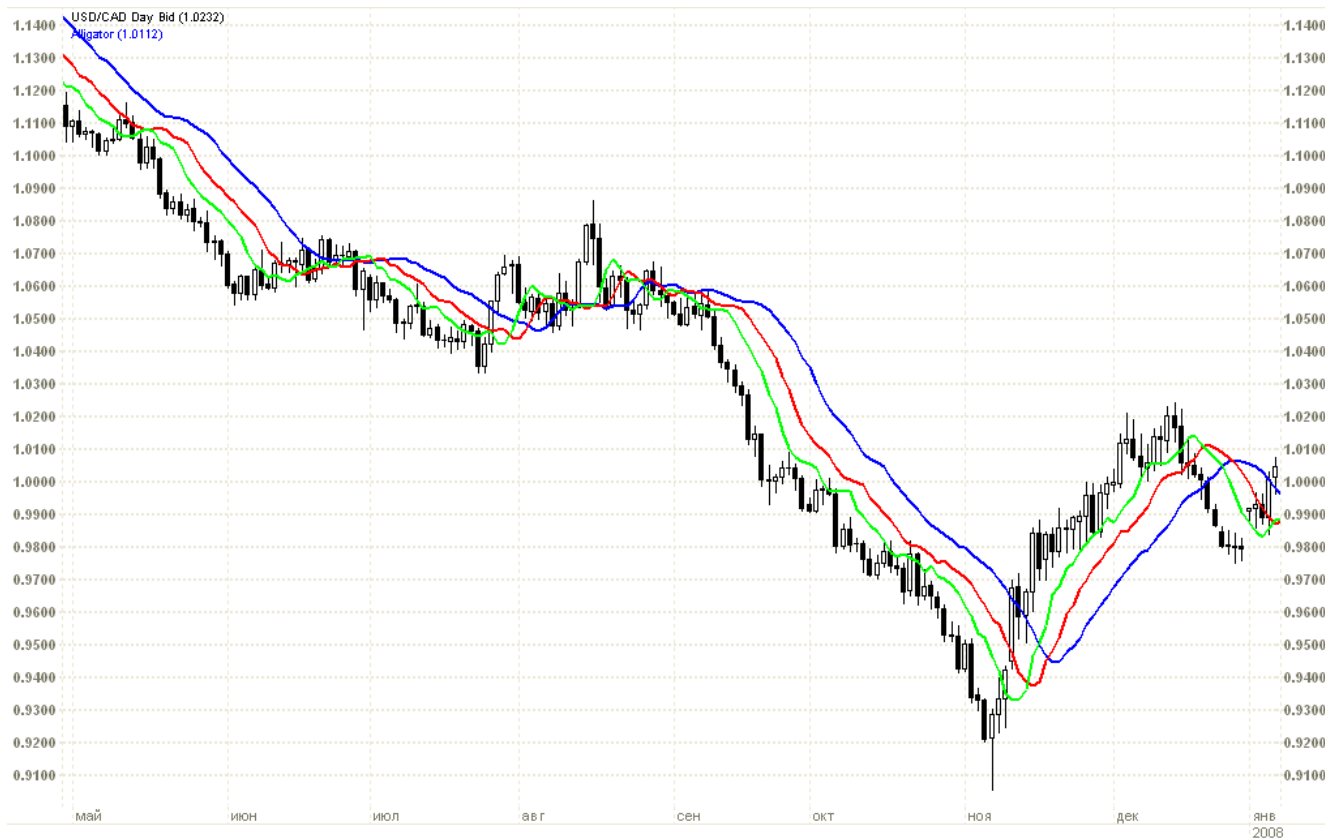
DEFINING THE MAJOR TREND DIRECTION

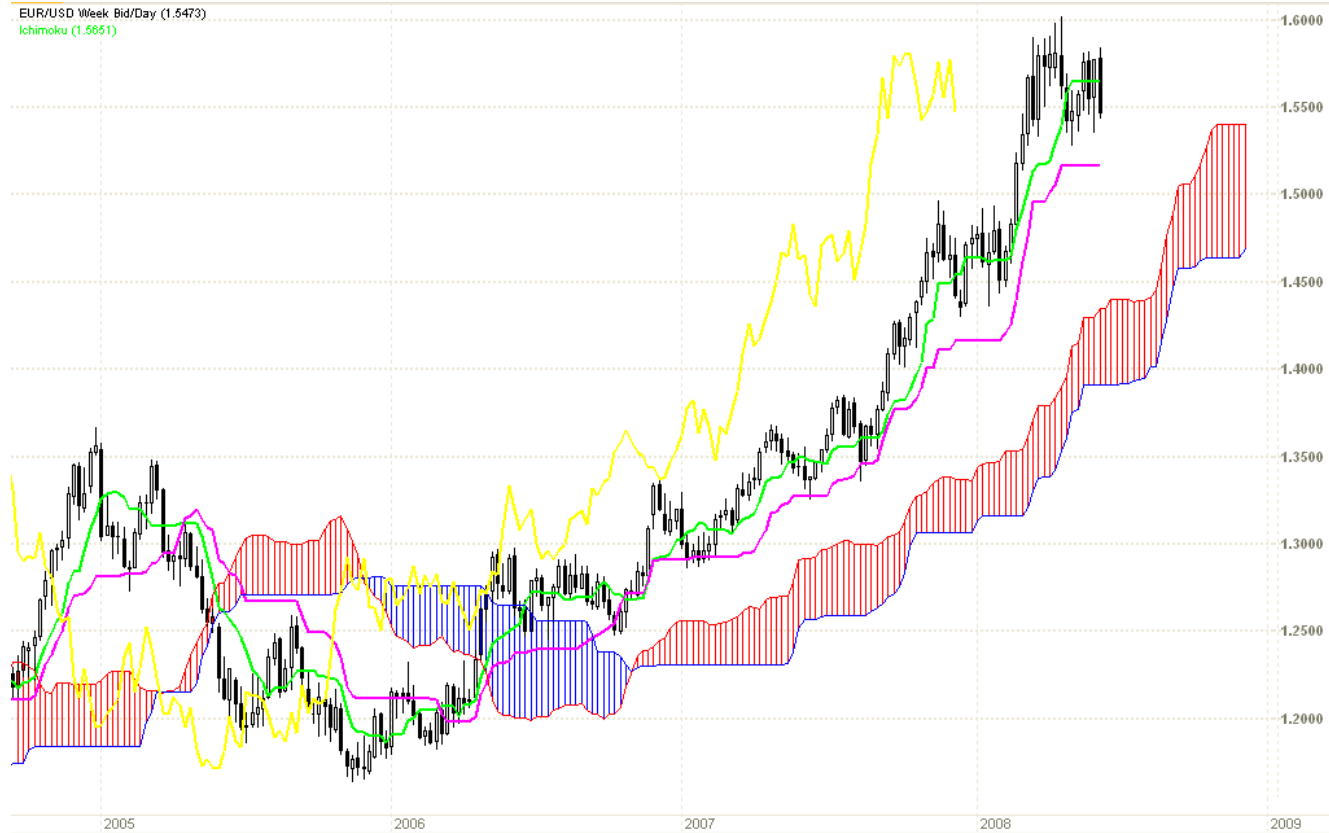
Moving Average (MA)



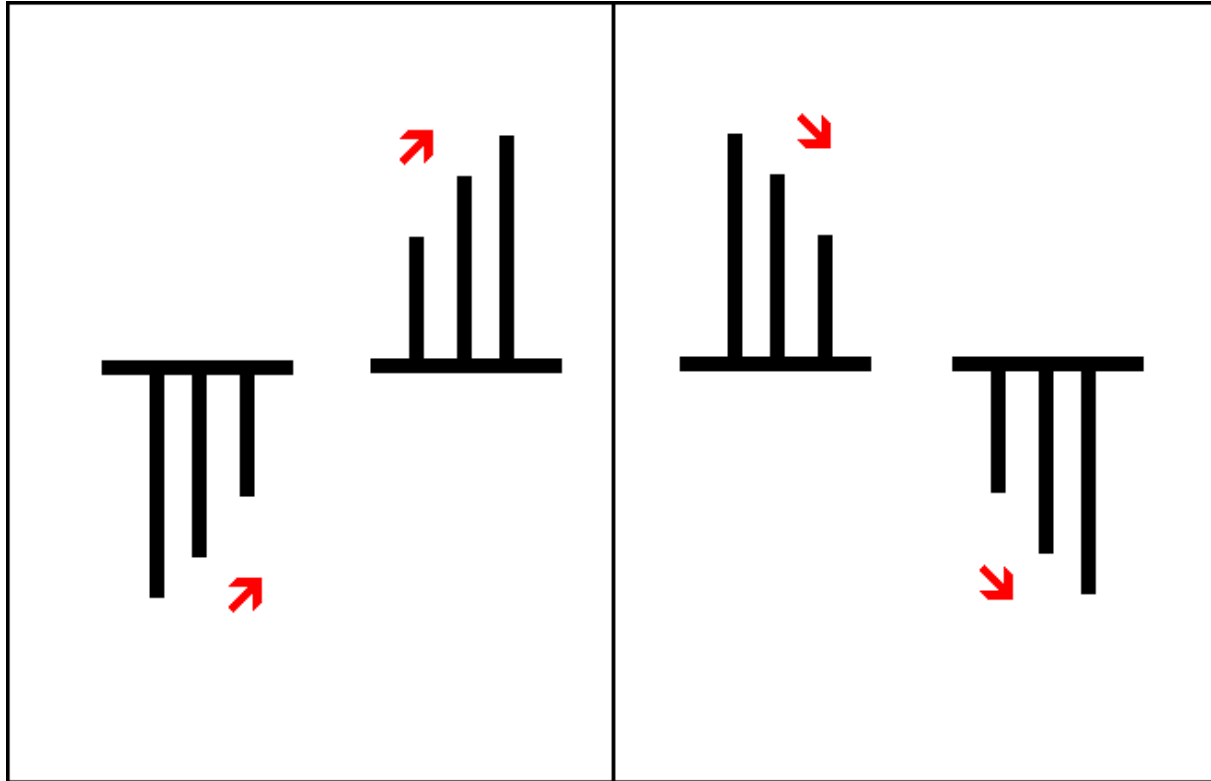


Alligator

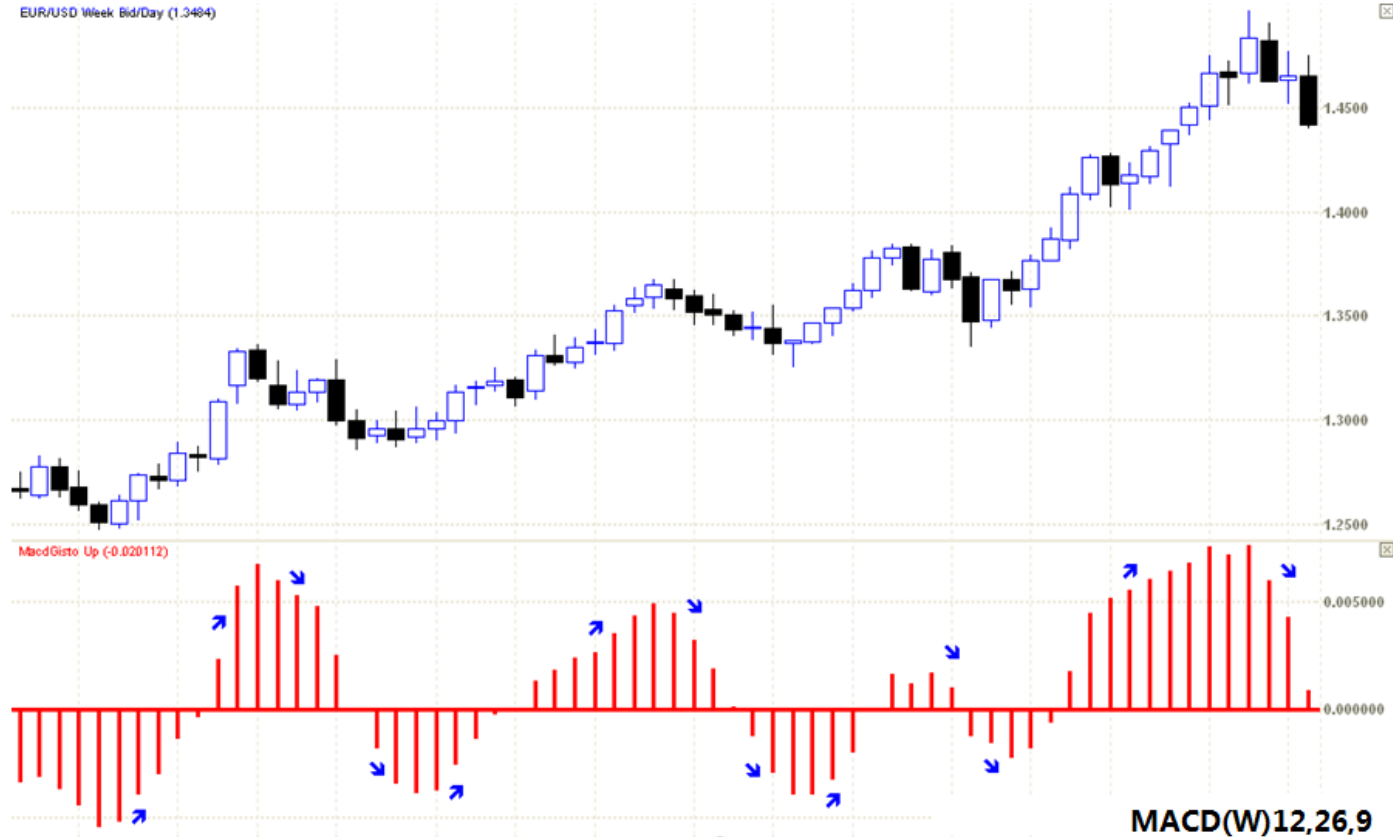




A. Elder's Method: MACD Histogram



Defining Major Trend Direction



Defining Major Trend Direction

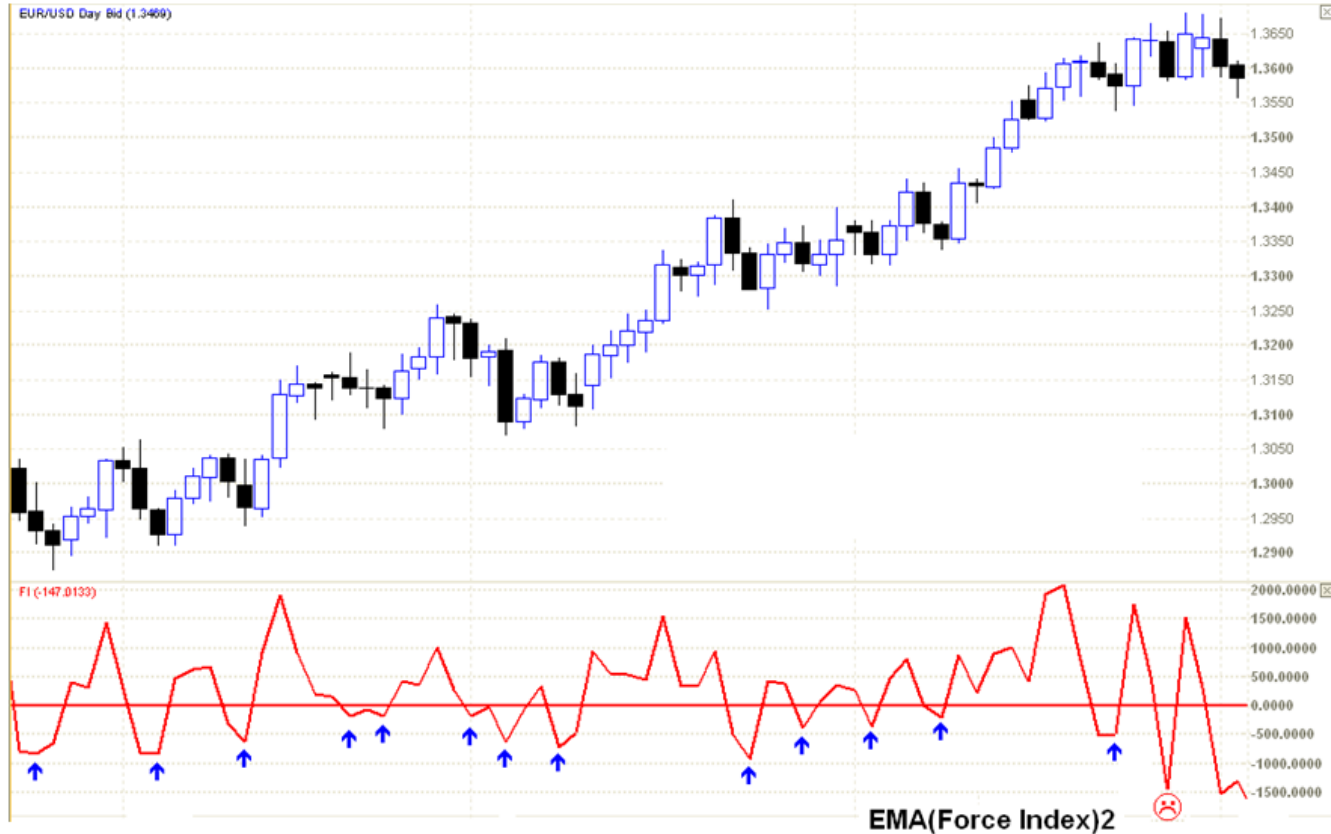


**DEFINING
CORRECTION ON MEDIUM
TIME FRAME**

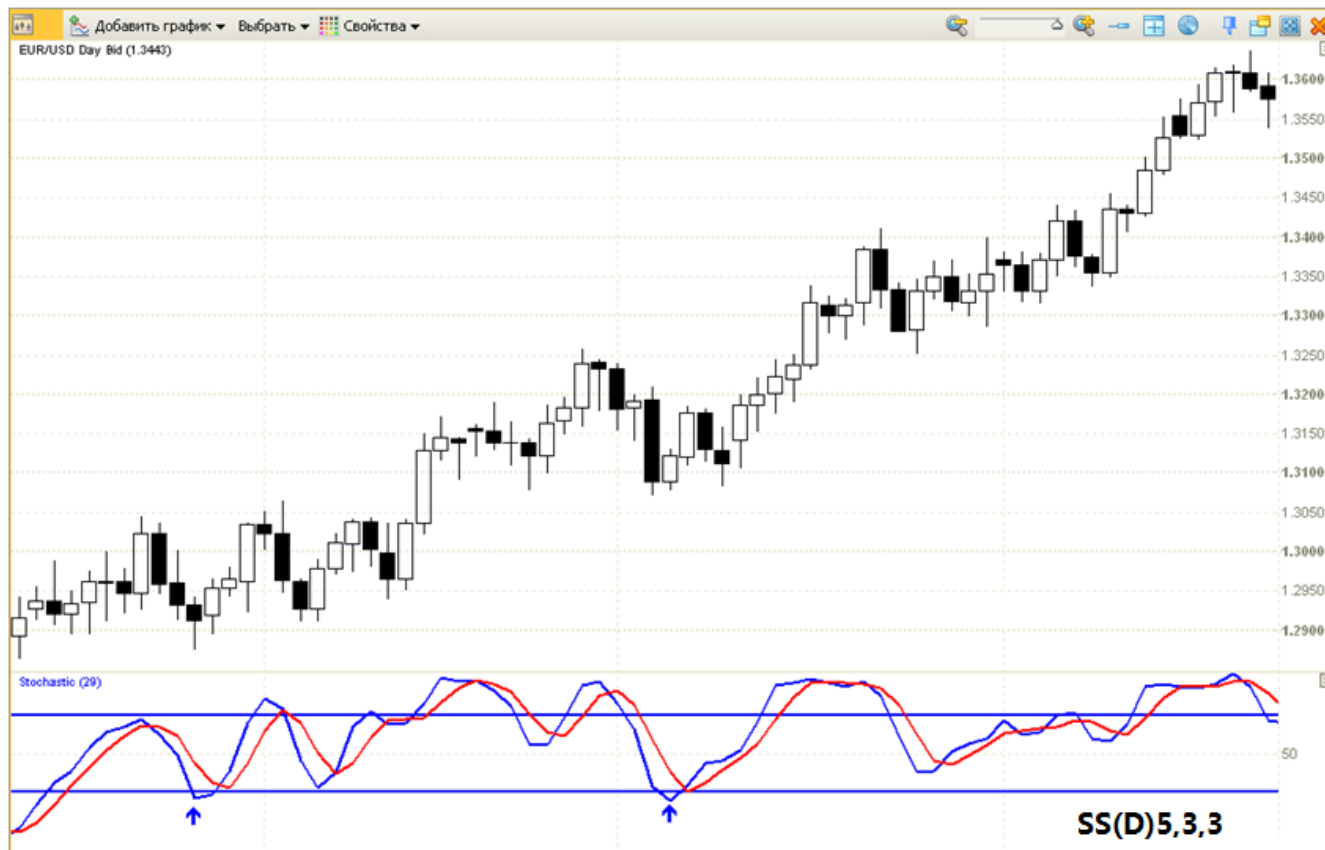
A. Elder's Method: Force Index

$$\text{Force Index [t]} = \text{Volume [t]} * (\text{Close [t]} - \text{Close[t-1]})$$

A. Elder's Method: Force Index



Defining Correction

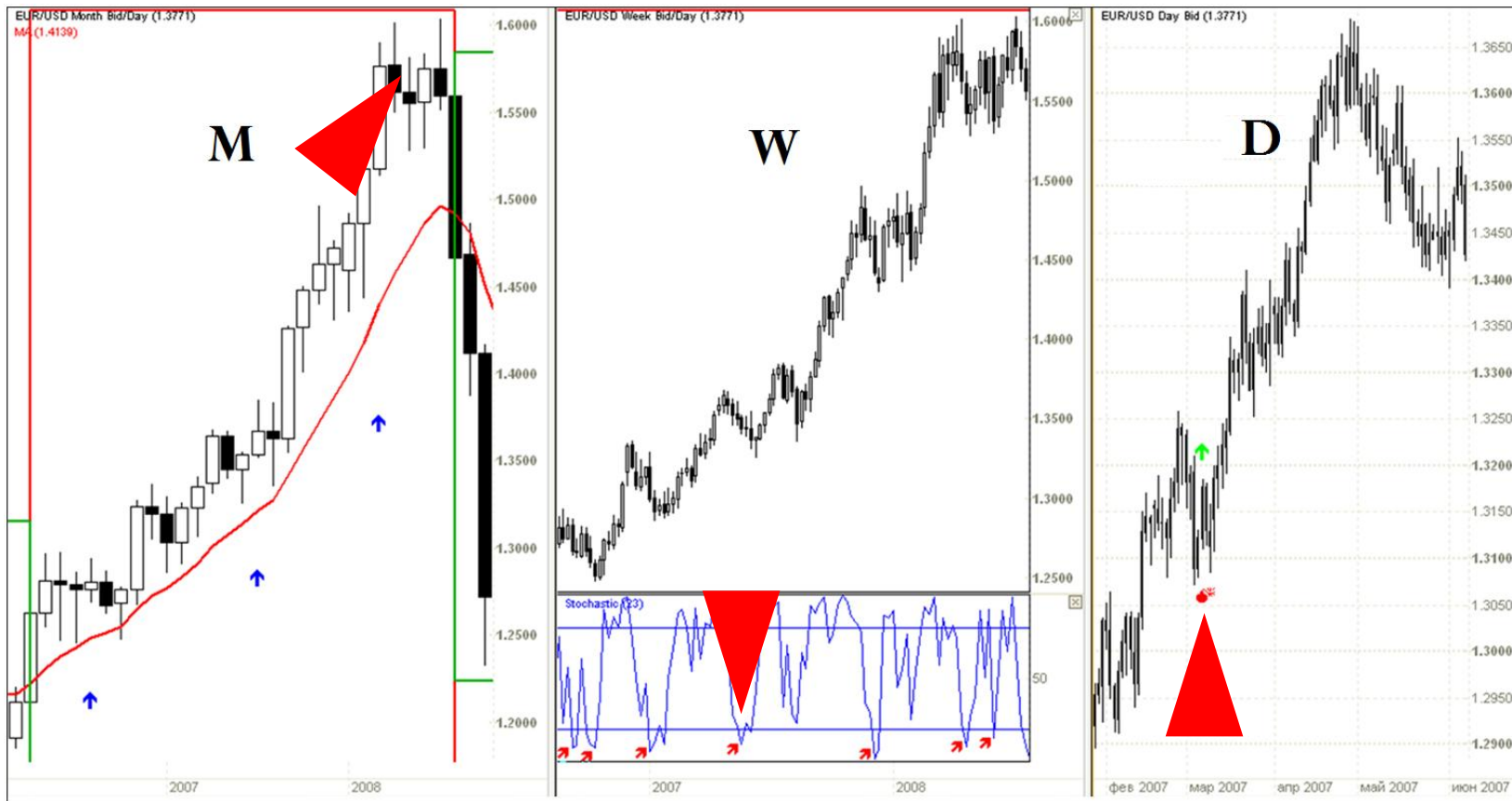


Defining Correction

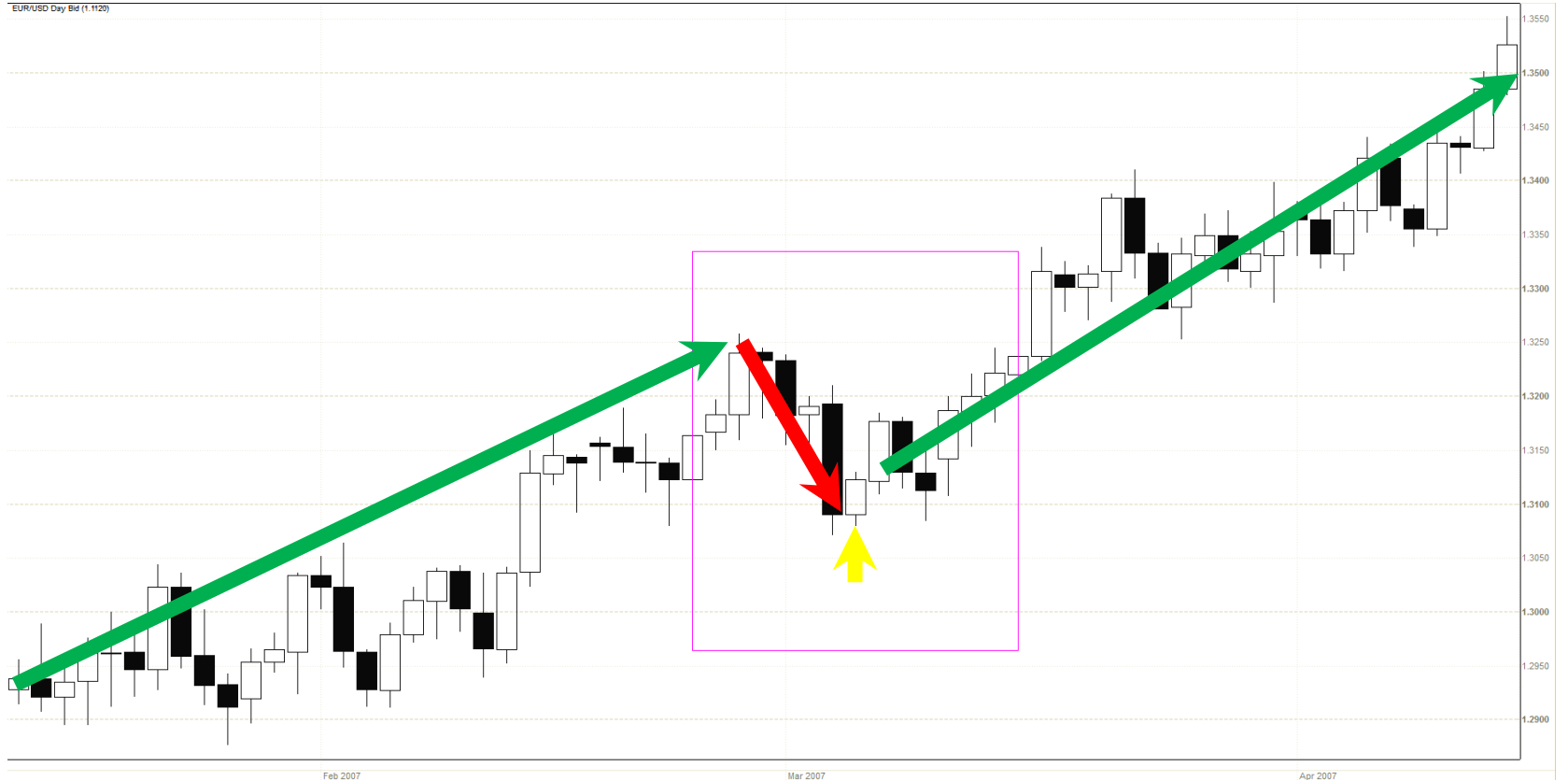


POSITION OPENING

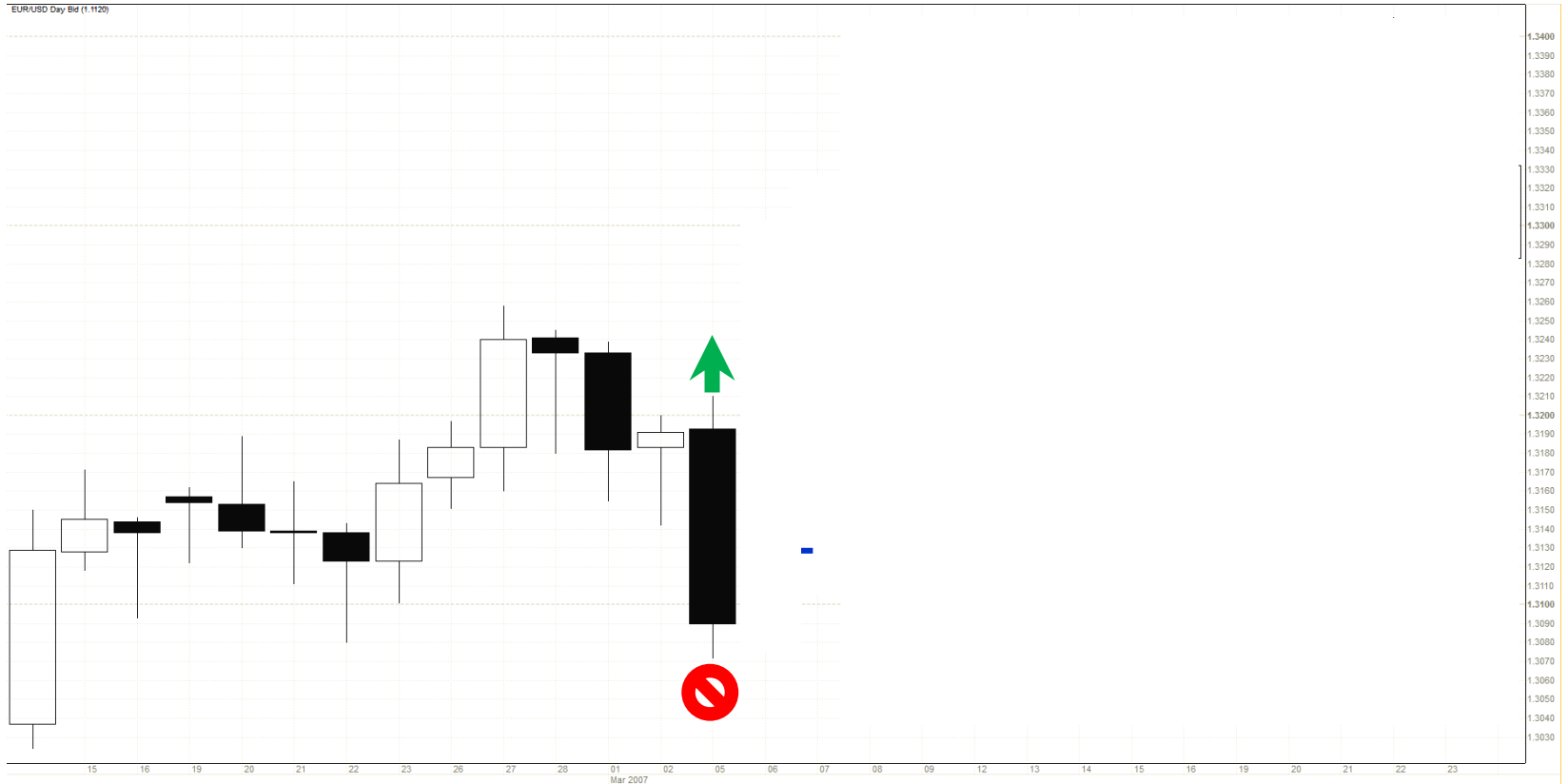
“Triple Screen” Strategy



Opening a position



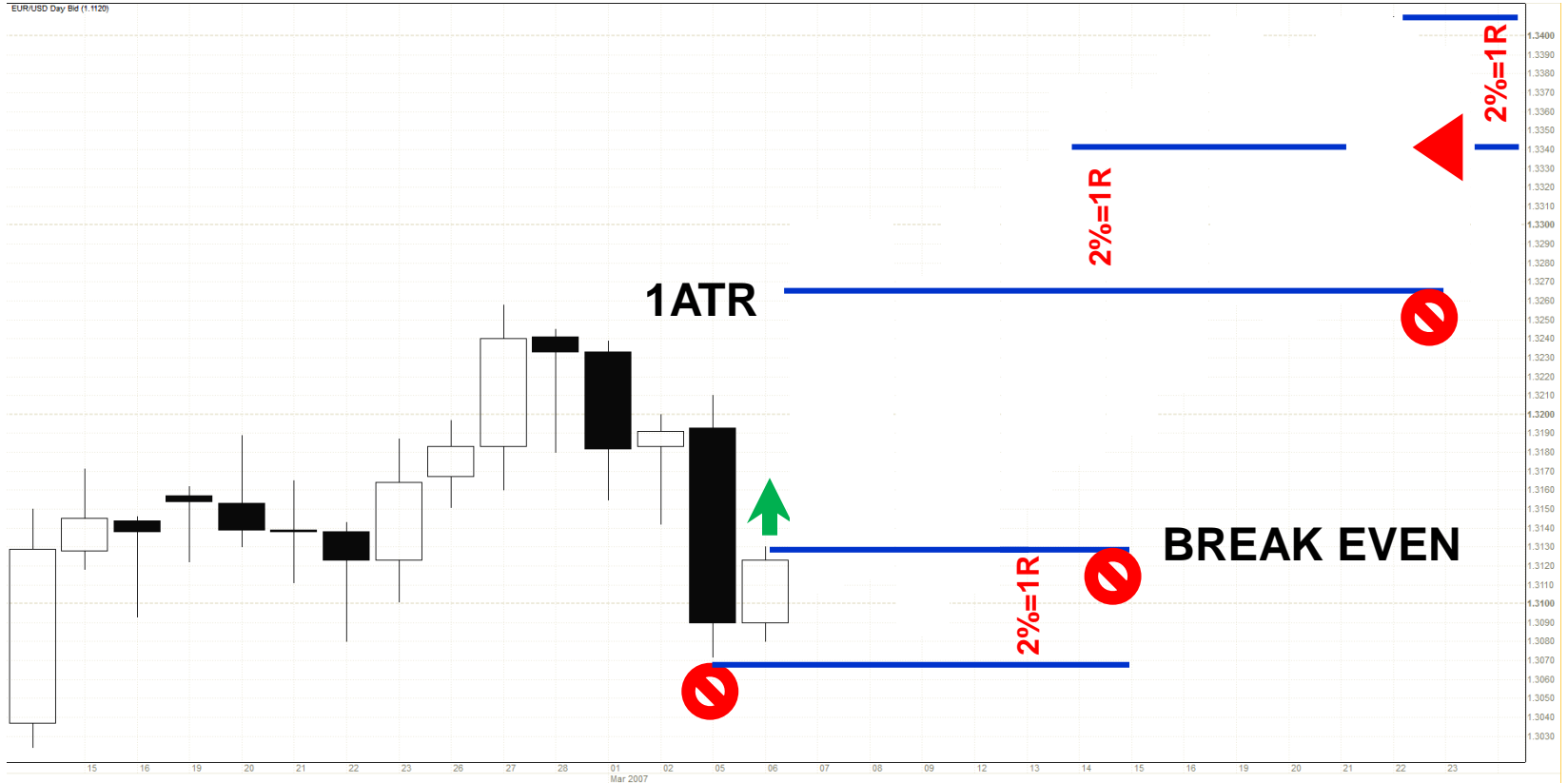
Opening a position



POSITION MANAGEMENT

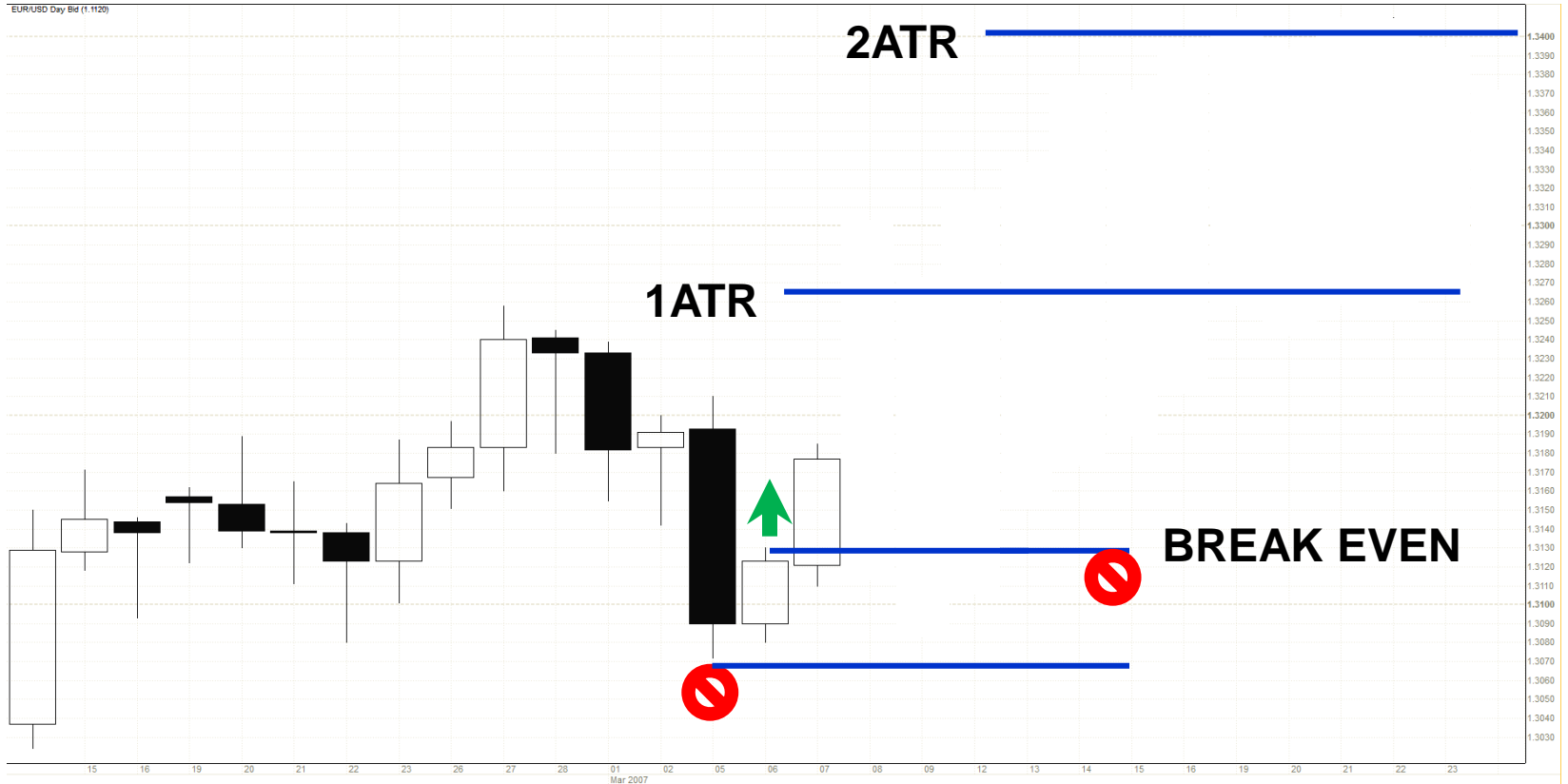
- 1. Setting S/L order after position opening**
- 2. Transferring S/L order from entry point to break even point after 1 ATR move in price**
- 3. Using a T/S with the limit of risk no more than 2% of total assets**
- 4. Maintaining position until the major trend changes its direction or until the protective S/L order is executed**

Position management (conservative)



- 1. Setting S/L order after position opening**
- 2. Transferring S/L order from entry point to break even point after 1 ATR move in price**
- 3. Protecting 50% of «paper» profits after 2ATR target is reached**
- 4. Adding new position after new trading signal is generated on the second screen**
- 5. Taking profits according to trading signals generated on the second screen (OB/OS)**

Position management (aggressive)



SUMMARY

“Triple Screen” Strategy Signals

Weekly Trend	Daily Trend	Action	Order
Uptrend	Uptrend	Wait	No orders
Uptrend	Downtrend	Buy	Trailing Buy Stop
Downtrend	Downtrend	Wait	No orders
Downtrend	Uptrend	Sell	Trailing Sell Stop

“Triple Screen” Strategy (example #1)

❖ **First Screen: MONTHLY**

(Trade Direction: LONG/SHORT/NO TRADE)

Indicator: EMA(M)13

❖ **Second Screen: WEEKLY**

(End of Correction)

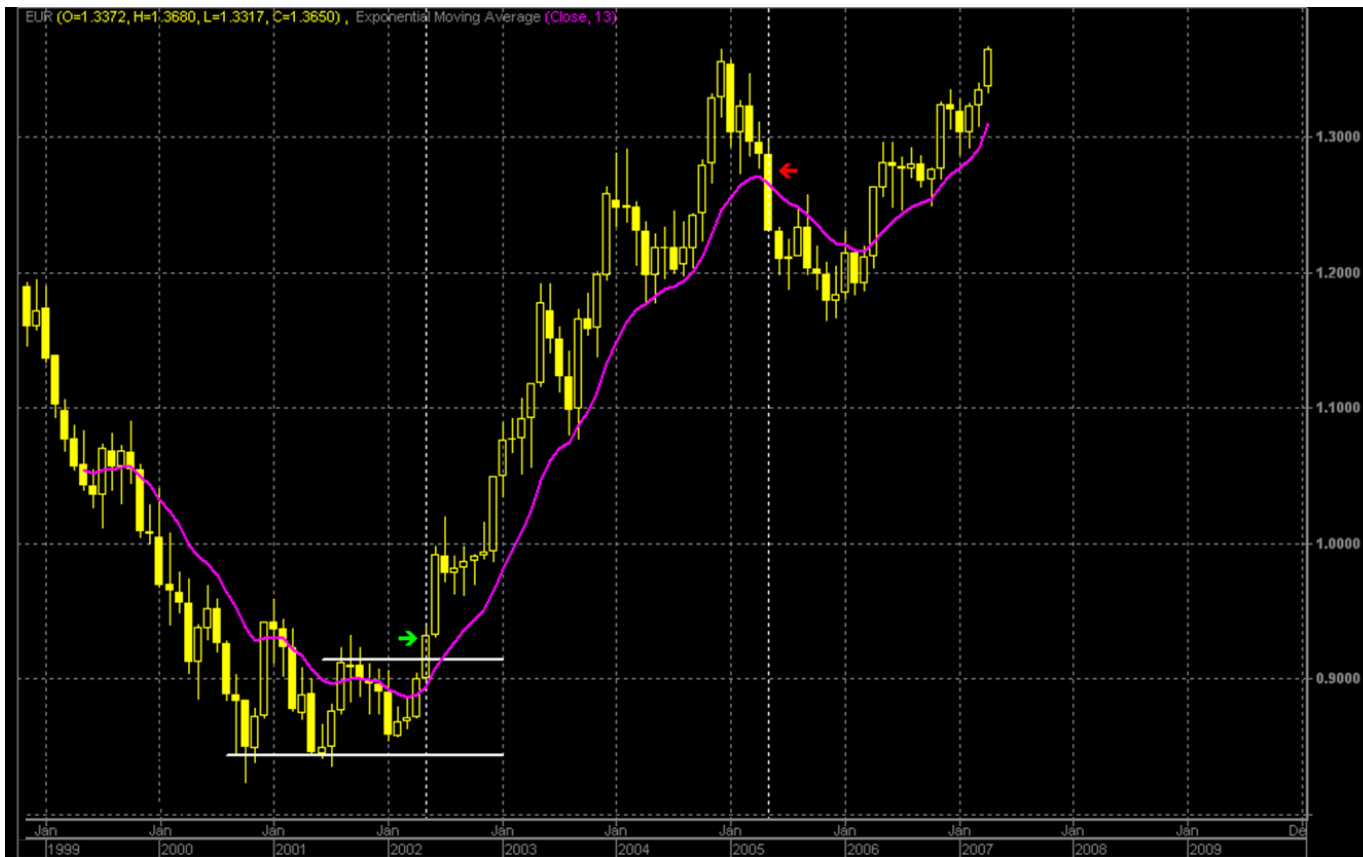
Indicator: SS(W)4,1,1(20/80)

❖ **Third Screen: DAILY or WEEKLY**

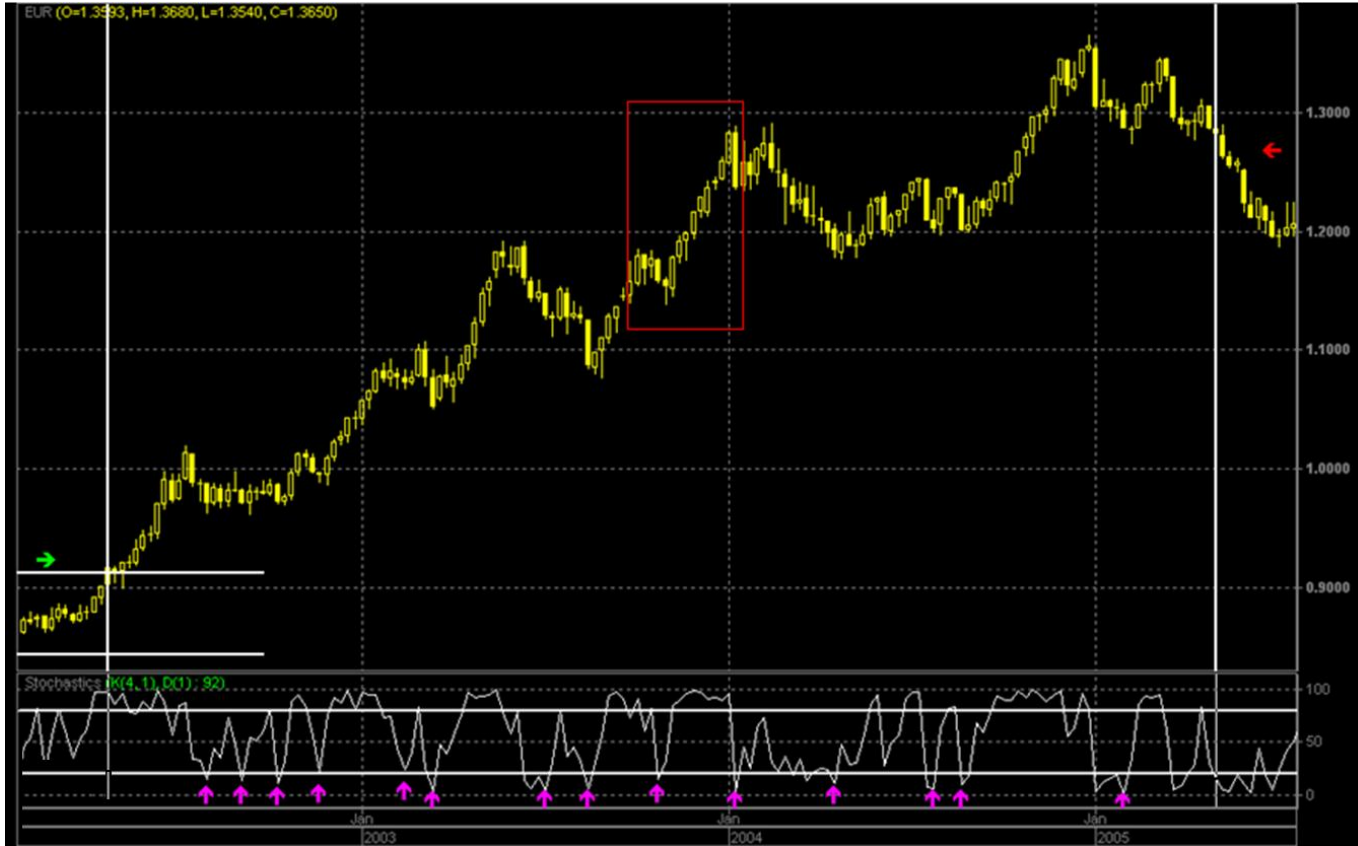
(Entry Points)

Indicator: no

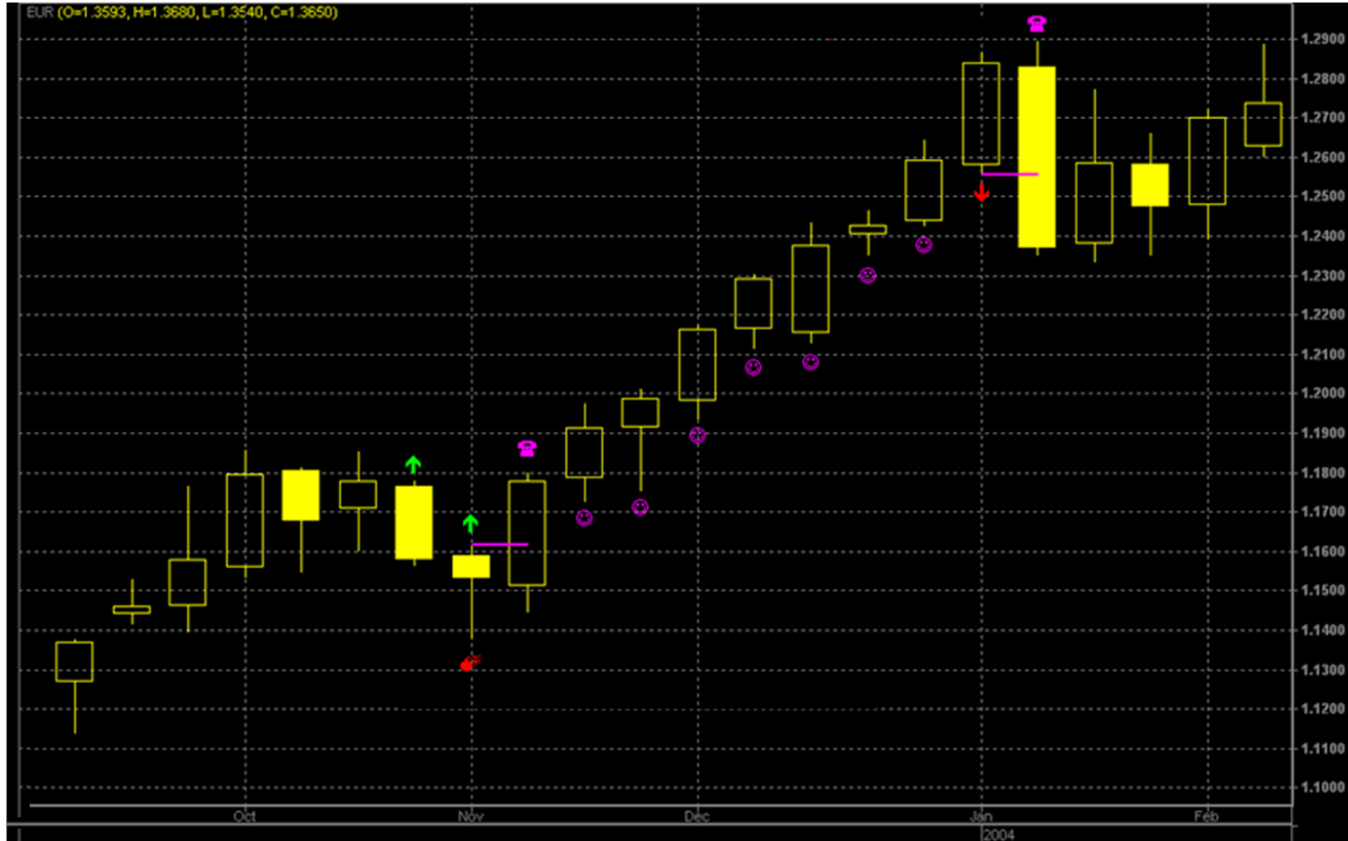
“Triple Screen” Strategy (Screen #1)



“Triple Screen ” Strategy (Screen #2)



“Triple Screen ” Strategy (Screen #3)



“Triple Screen ” Strategy (example #2)

❖ **First Screen: WEEKLY**

(Trade Direction: LONG/SHORT/NO TRADE)

Indicator: EMA (W) 13

❖ **Second Screen: DAILY**

(End of Correction)

Indicator: SS(D)5,3,3 (20/80)

❖ **Third Screen: 6H или DAILY**

(Entry Points)

Indicator: no



THANK YOU!

