

Strategy VI – (EMA+ SMA + P-SAR)

1. Basis of the Strategy

- Tendency of the price to continue moving up once it rises *above* the *upper* Exponential Moving Average (EMA) line, and to continue going down when it crosses *below* the *lower* EMA line.
- Tendency of the price to move up when a Fast Moving Average (MA) crosses *above* a Slow MA and to go down when a Fast MA crosses *below* a Slow MA.
- Tendency of the price to move up once the P-SAR dot appears *below* the price bar and to go down when the P-SAR dot appears *above* the price bar.

2. Requirements and Limitations

- Currency – Any pair, including those with moderately large spreads. Yield is usually large when the signal is caught early.
- Time frame – All time frames, including scalping.
- Not suitable during periods of increased volatility.
- Not suitable during periods of consolidation.

3. Setup

- EMA (period = 55, price = high), EMA (period = 55, price = low)
- Fast SMA (period = 5, price = close), Slow SMA (period = 10, price = close)
- Parabolic SAR (step = 0.02, maximum = 0.2)

4. How to Use the Strategy

BUY when:

- Price bar already *above* the upper EMA line, even if it has just emerged *above* it.

- P-SAR dot appears *below* the price bar, even if it appears *below, inside* or *above* the EMA lines.
- As a further confirmatory step (which may not be necessary), you may wait for the F-SMA to cross *above* the S-SMA.

SELL when:

- Price bar already *below* the lower EMA line, even if it has just emerged *below* it.
- P-SAR dot appears *above* the price bar, even if it appears *above, inside* or *below* the EMA lines.
- As a further confirmatory step (which may not be necessary), you may wait for the F-SMA to cross *below* the S-SMA.

5. Take-Profit Strategies

- BUY order – Set an appropriate take-profit or exit when the P-SAR re-appears *above* the price bar, or when the F-SMA re-crosses *below* the S-SMA, or price bar closes *below* the F-SMA.
- SELL order – Set an appropriate take-profit or exit when the P-SAR re-appears *below* the price bar, or when the F-SMA re-crosses *above* the S-SMA, or price bar closes *above* the F-SMA.

6. Stop-loss Strategies

You may set the stop-loss at the point where the price first hit the outer BB line.

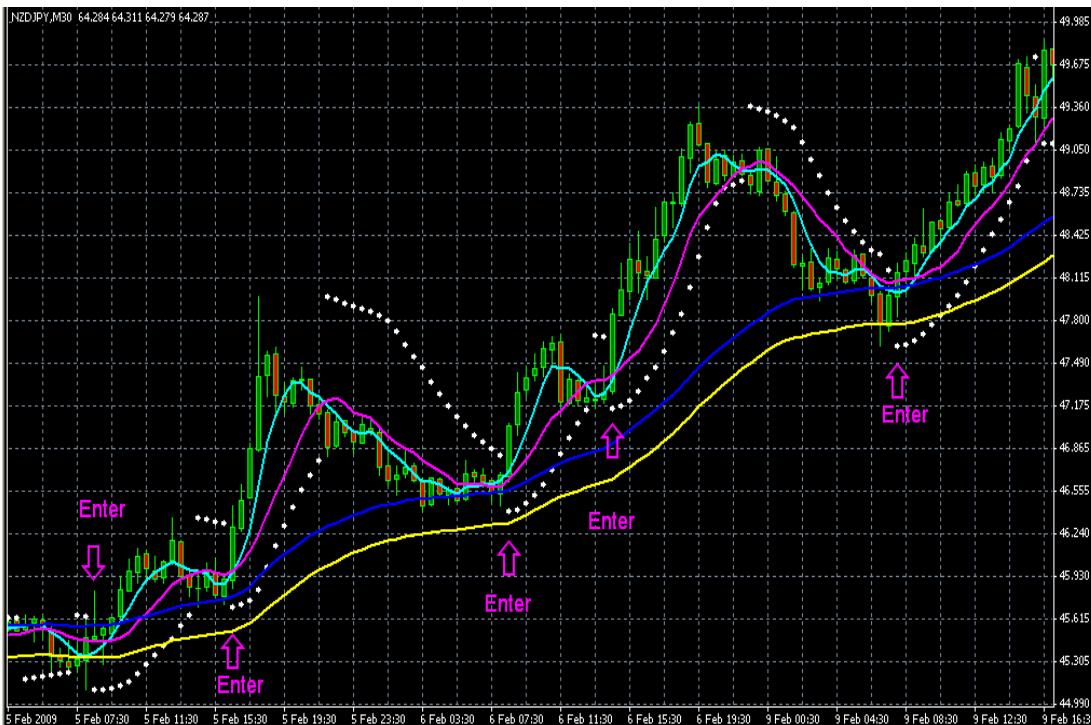
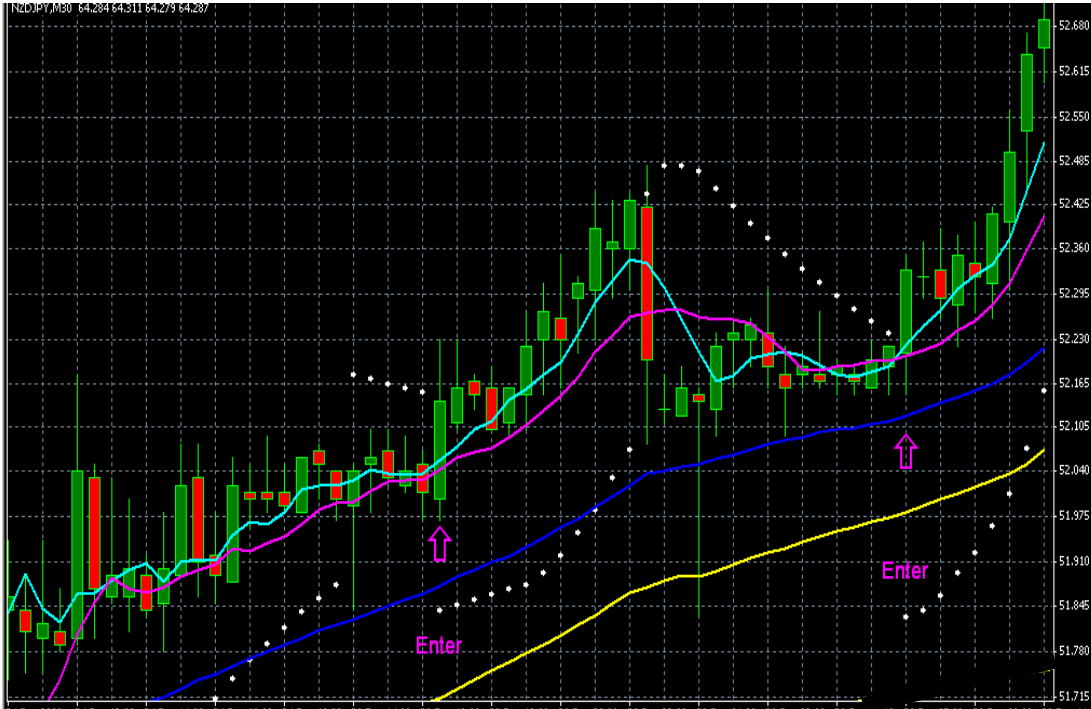
7. Exit Strategies

Manually exit your position if one of these conditions occurs:

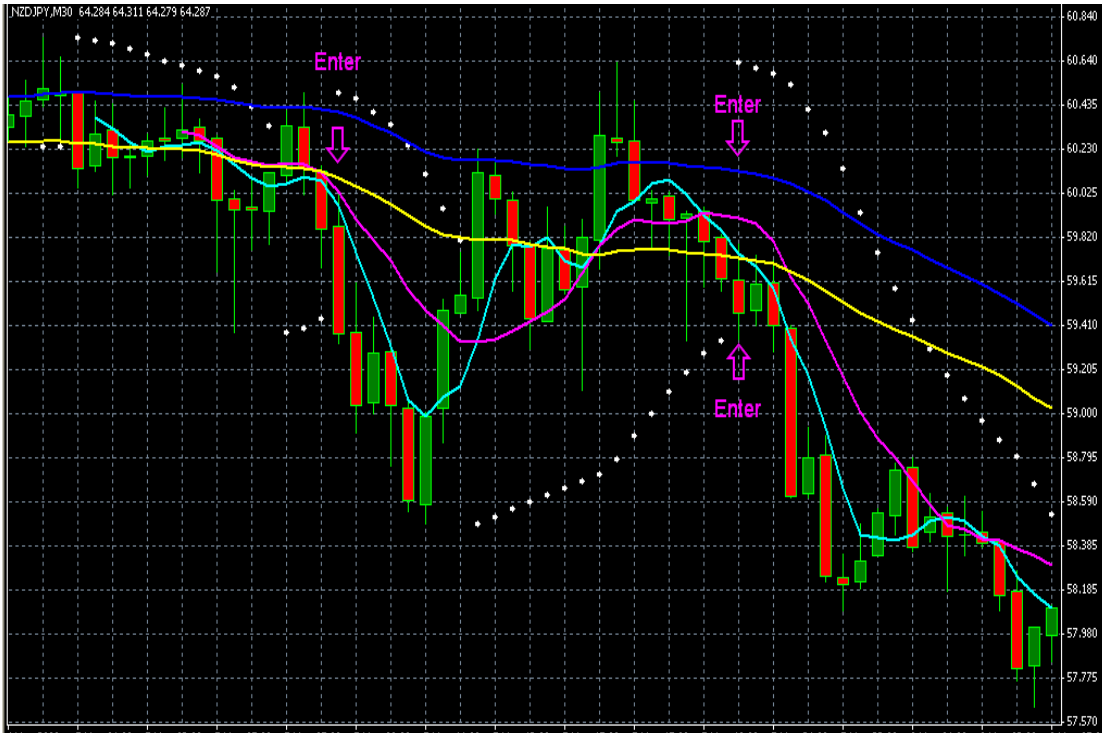
- The F-SMA re-crosses the S-SMA.
- The P-SAR re-appears on the other side of the price bar.

8. Sample Signals in Action

- Bullish signals



- Bearish signals



To Your Success!!