

J Crawford

FRACTAL BLASTER

Strategy

Buy entry Triggered

Buy Stop



**LEARN TO TRADE
FOR PROFIT**

This is the Fractal Blaster Trading Strategy Report that will help you understand how to trade with the fractal indicator.

What are fractals and how do you trade with them? This Fractal Trading Strategy will answer all your questions about fractals, and show you step by step how to use these to hit consistent winning trades.

Today, we want to dive into a great strategy that trades with both the Bill Williams Fractal Indicator/ Bill Williams Alligator.

But before we start to get into this trading strategy, I want to give you some background information on Bill Williams himself to help you understand the significance if these special indicators.

Quick Overview of Bill Williams

Mr. Williams developed a truly unique theory from combining the Chaos Theory with the trading psychology and the effects that each has on the market movement. Bill Williams vast knowledge of stocks, commodity, foreign exchange markets, led him to develop many different indicators.

These include the Accelerator/Decelerator Oscillator, Alligator, Awesome Oscillator, Fractals, Gator Oscillator, and Market Facilitation.

Each indicator has its specific value, and are great to trade with if you understand the basic concepts of each one!

His market view was that for you to make money trading, you must be able to understand that basic market structure by being aware of the markets internal parts which he called **dimensions**.

These dimensions include the following:

- **Fractal (the phase space)**
- **Zones (the phase energy and force combination)**
- **Momentum (the phase energy)**
- **Deceleration/ Acceleration (the phase force)**
- **Balance Line (odd attractors)**

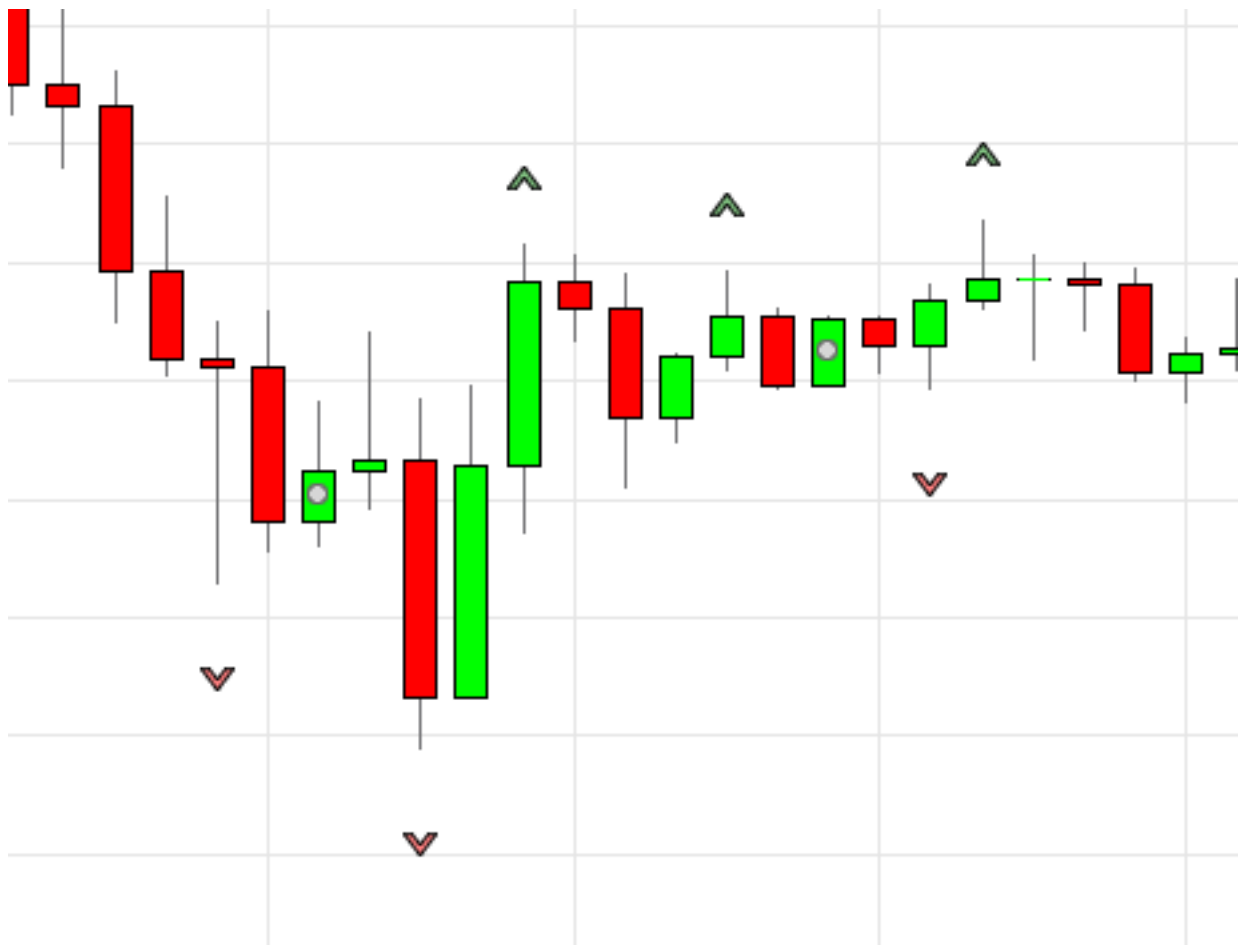
I could go on for quite a while about Bill Williams but the important part to note about all this is that his analysis and perspective of the market were like none other. These powerful

indicators are not outdated, as some claim they are, and they work very well when you apply the right strategy.

His indicators come standard on most all trading platforms. These indicators will most likely be under is name “Bill Williams” or “Williams” indicators.

Indicators Used for the Fractal Blaster Trading Strategy

Bill Williams Fractals: These are simply arrows that are on top or below the candles on the chart. These fractals are formed when five repeated bars align in a distinct manner. You need the fifth bar to close to discover the highest high or lowest low. We will go more into detail about this indicator in the strategy.



Bill Williams Alligator: This indicator consists of 3 specific moving averages.

The 13-period line is called the **Jaw (blue)**

The 8-period line is called the **teeth (red)**

The 5-period line is called the **lips (green)**

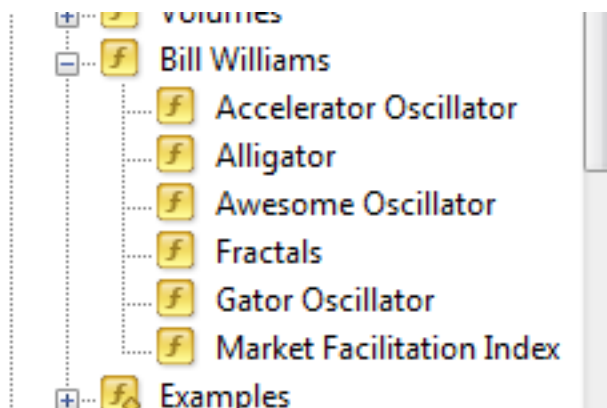
We will go more into this indicator in a bit, but I wanted you to know that each of these lines has a specific name to them because we will reference these later on in the strategy.

Here is what the alligator looks like:



We developed a strategy called the [Big Three Trading Strategy](#) that uses three specific moving averages as well if you wanted to check that out later.

These are only two of a total 5 indicators that Bill Williams developed.



As you can see above, those are all 5 of Bill Williams powerful indicators that come standard on your trading platform.

I do like each of these 5 indicators, but after extensive research and testing putting together the alligator and fractal indicator not only was the easiest way to trade with his indicators, but are extremely powerful with the right strategy.

Fractal Blaster Trading Strategy Steps

Step #1 Apply Both Fractals and Bill Williams Alligator Indicator on Your Chart

The First step you are going to want to do is, of course, throw these important indicators on your charts. As I have said, they do come standard on every trading platform that I am aware of so this should be very simple for you to do.

Once you do this your chart will look like this:

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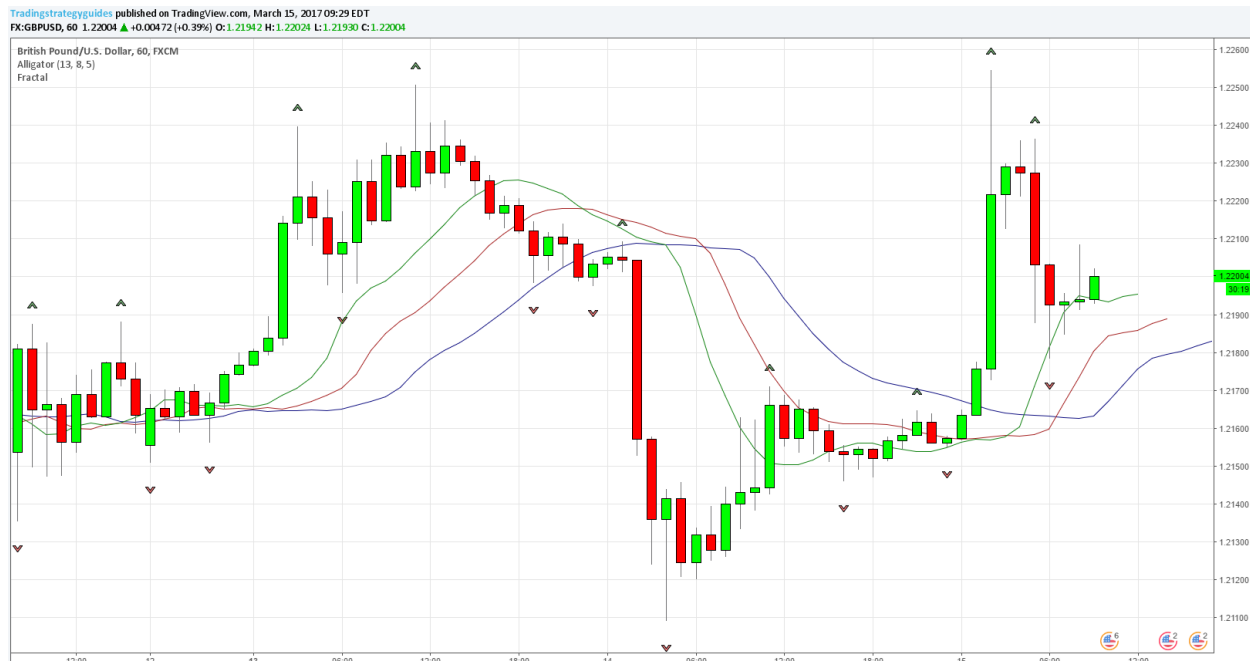
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Perfect.

Step #2 Identify where the Fractal Has Formed (above or below alligator teeth)

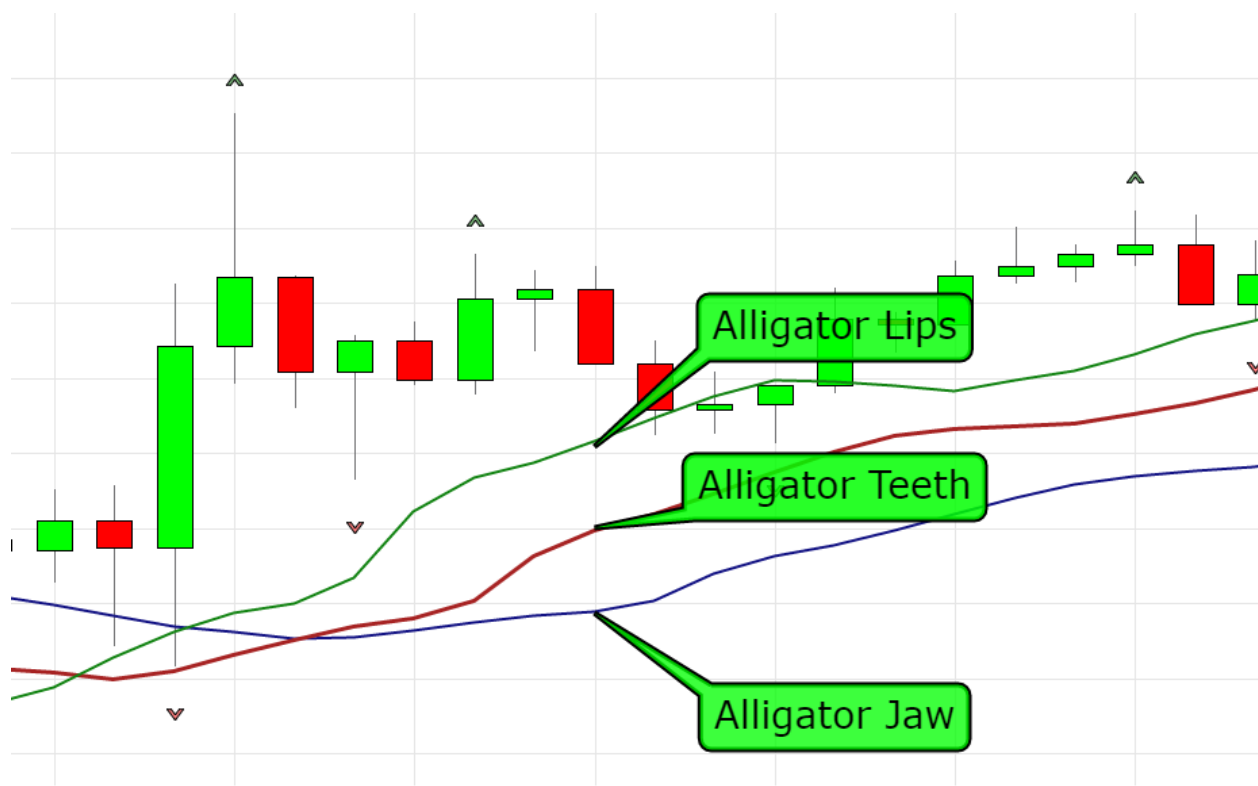
Note In this example we are using a buy trade entry so all of these rules will be for a buy entry.**

Ok, so let's get into what the fractals are all about.

The fractals indicate a bottom or a top. The basic fractal indicator is composed of a very minimum of 5 bars. So when you see a fractal here is what may have happened for it to appear:

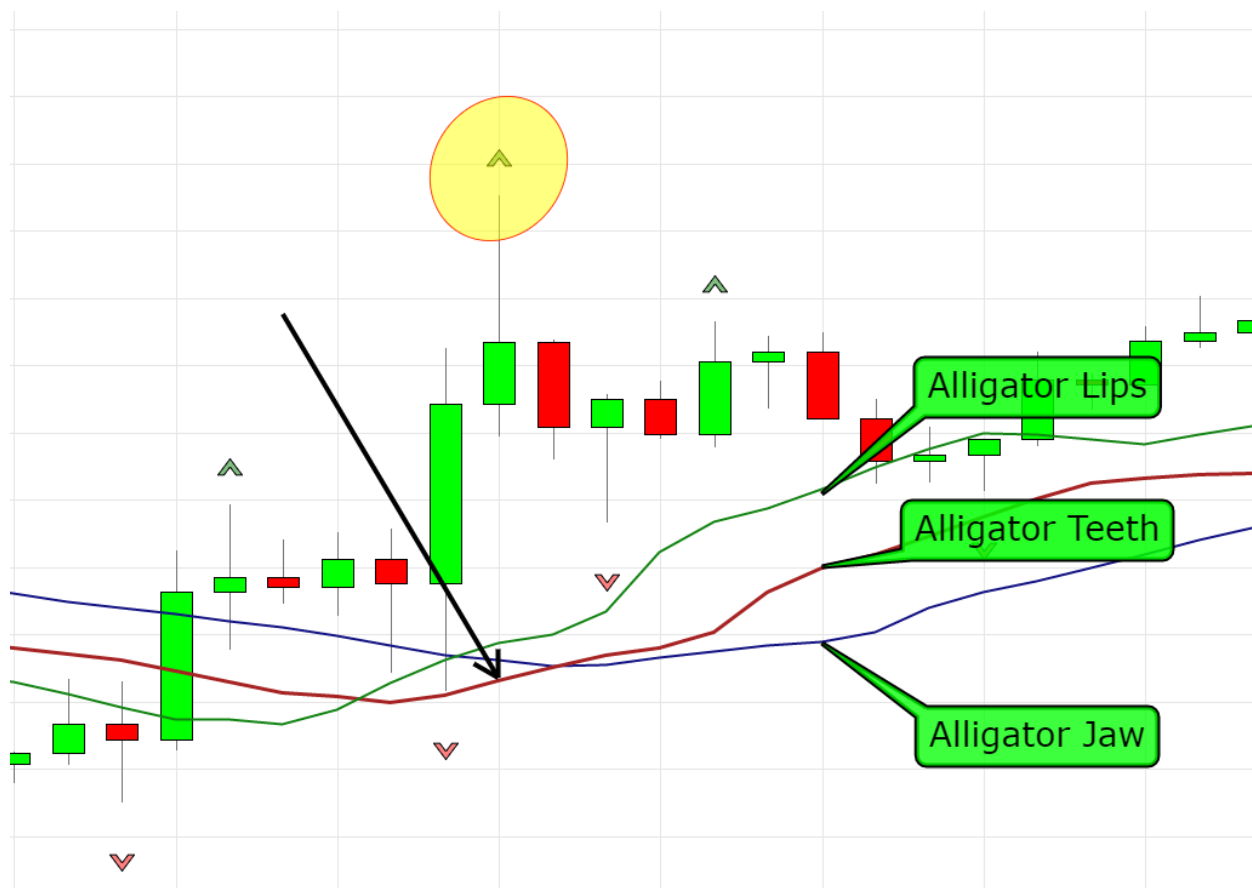
- There were a series of at least five successive bars, with the highest high in the middle and then the two lower highs are on both sides.
- There was a reversing series of at least five successive bars, when the lowest low is in the middle and the two higher lows were on both sides (which forms a sell fractal)
- Fractals can appear with only one candle to the right of it but be aware that this is an unconfirmed fractal because the price action may pierce through the level. So in order for a fractal to appear and stay on the chart forever, the trader must wait for 2 candles to the right of the fractal.
- The fractals have what's called a high and a low value. This is indicated by the up or down arrows.

Let's get into our chart example for this fractal blaster trading strategy.



Above are the unique alligator indicator lines on the chart. Now you need to be aware of where the fractals are being placed on the candles for this strategy concerning this special indicator.

Below is the fractal that we want to take special note of:



I drew a yellow circle on this specific up fractal. This up fractal appeared on this candle ABOVE the red line or the (alligator teeth) This is criteria #1 for the Fractal Blaster strategy.

In a BUY trade, the Fractal must appear on a candle ABOVE the red line (alligator teeth).

What is happening here is that the fractal forms a new high to the previous fractal and therefore made an up fractal appear on the candle.

In order to go to step #2 (for a BUY trade) the fractal must show an up fractal and be appearing above the alligator teeth.

Step #2 The price action must stay above the Alligator Teeth for at least 5 consecutive candles (Buy Trade)

This is where all the magic happens.

More often than not when a fractal appears like the one above, the price action is still “flat” and therefore there has not been a real breakout in recent time.

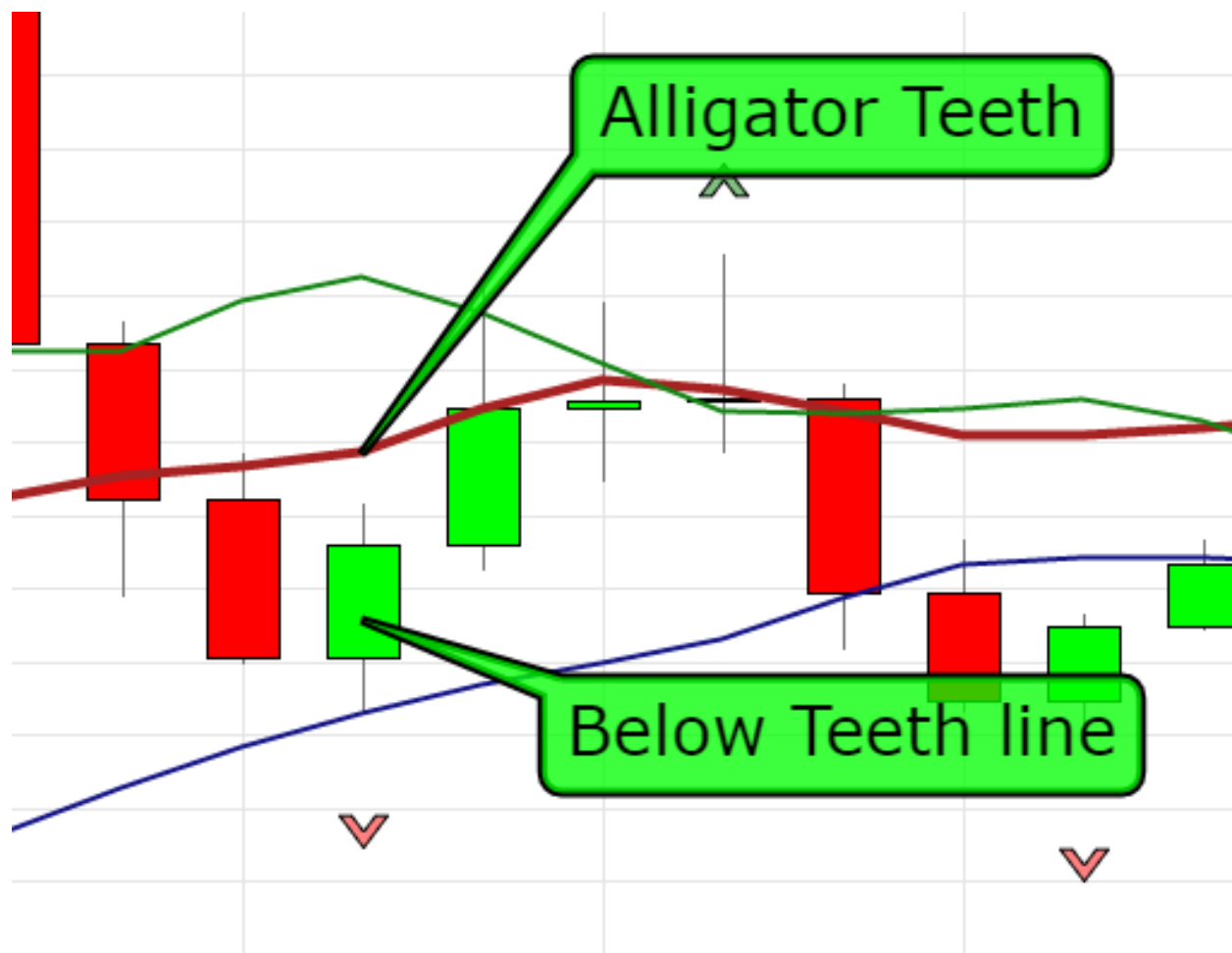
The reason this strategy has to wait for at least five consecutive candles is that this is the time where either there is **pull back that is forming, a reversal may be forming, or the price action is still consolidating in a flat market**. Any one of those does not sound pleasant if you are looking for a big upward bullish move to form on the chart.



As you can see, the price action stayed quiet and did not move up or down drastically these five candles. That is exactly what you should see when trading this strategy.

Before we look any further into this strategy, here is what will make the strategy “reset” and invalidate a future trade BUY entry.

1. Resets if: A sell fractal appears below Alligator Teeth line before a position is opened. Like this:



As you can see if this would have happened in our BUY trade example, then we would have told ourselves that this buy trade is invalidated and we should look elsewhere. The reason is that this could trigger a long Bearish trend which would not be good if you are attempting to go long here.

2. Resets if: Any of the two lines of the Alligator indicator have crossed after the identified fractal candle in Step #1. Like this:

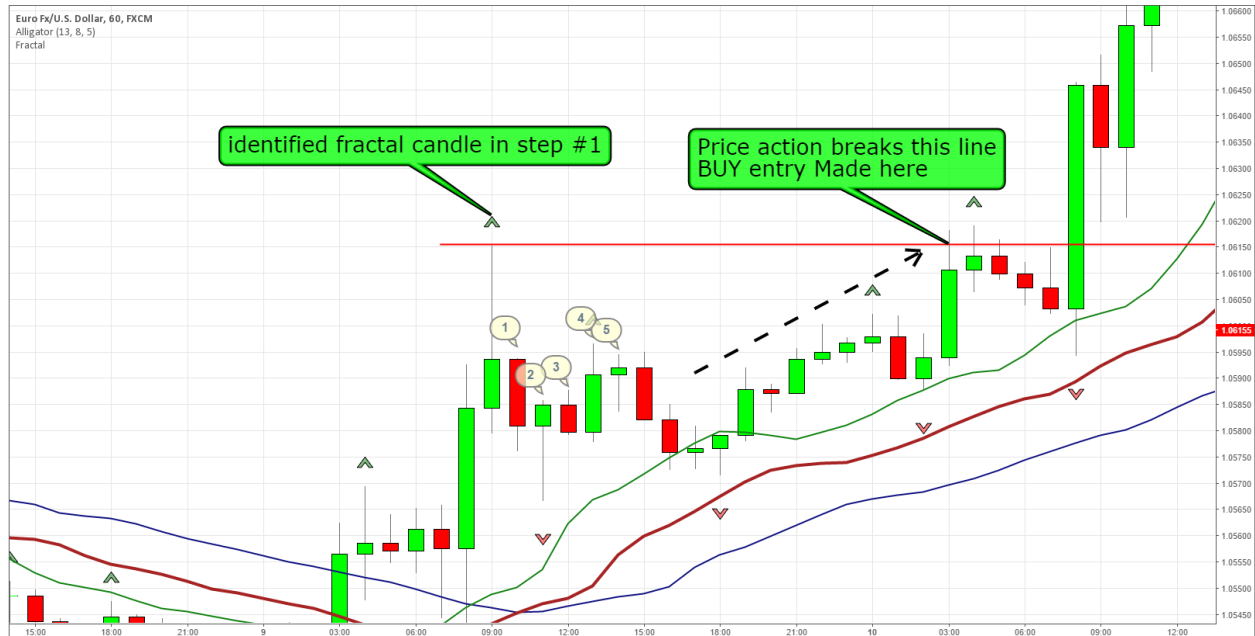


Step # 3 Price Action Need to Break Above Fractal Candle That was Distinguished in Step #1

Once you see that five consecutive candles did not make a drastic move to the downside and stay in between the high of the fractal candle and the alligator teeth, then we go ahead and make an entry order.

You can make an entry this way, or if you are sitting in front of your charts live with this occurs, then you can make a market order also. Either one is ok to do because the same criteria is needed.

Here is what it will look like:



As you can see, I marked where our original fractal was discovered. What happened after was that there were five or more candles that appeared that did not drift down to the alligator teeth, the alligator lines did not cross, and the price action finally broke above the fractal candle thus triggering a trade.

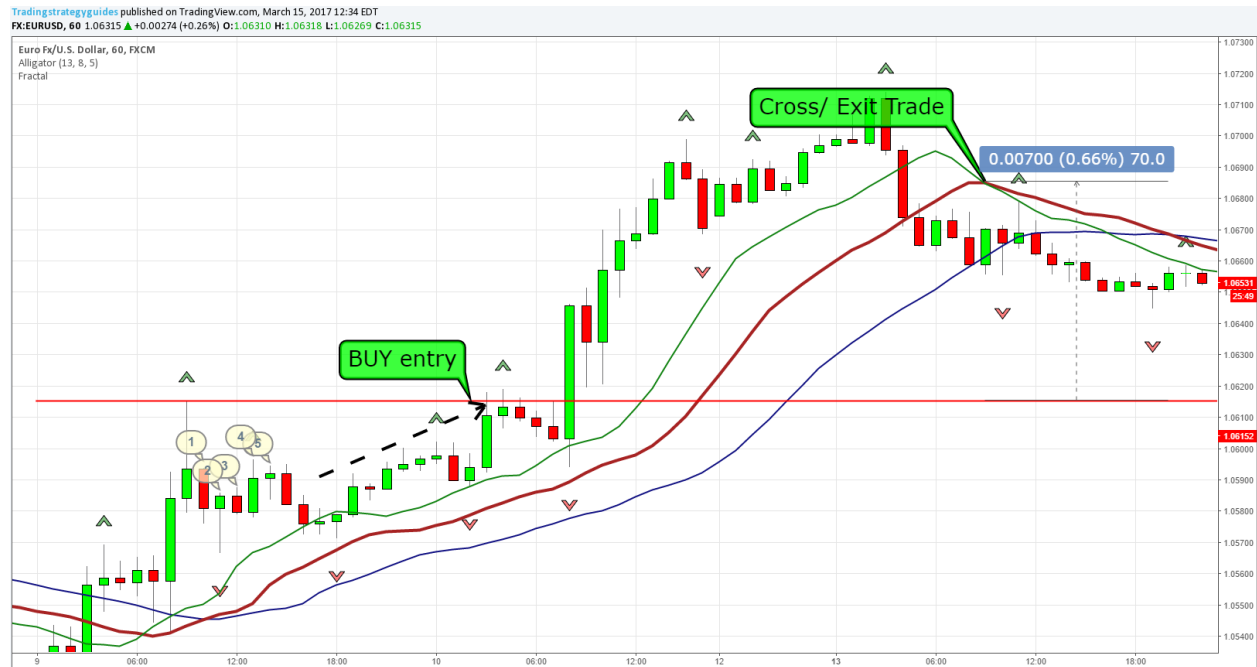
Take Profit Targets/ Stop Loss

You can try variations to this strategy as far as the take profit and stop loss is concerned.

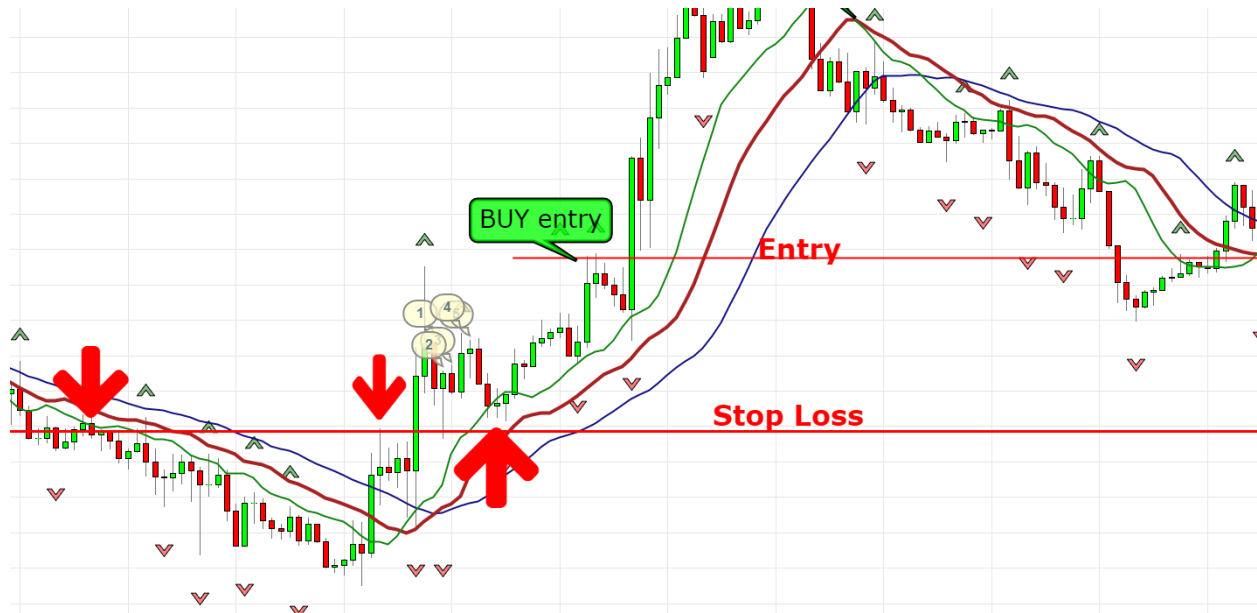
Exit the trade when two of the alligator lines cross over each other.

This most likely means the alligator is going back to sleep and the price action will either head the other way or consolidate.

This trade would have landed you a 70 pip winner.



Place your stop loss below prior support/ resistance areas. Check out my other article [here](#) that talks about these important areas.



This will give you the best opportunity to salvage a trade if the price action would to turn on you and turn into a bearish trend. It may “bounce” off this areas and head back in a bullish direction.

The above were the BUY entry criteria. A sell would be the exact same rules only the opposite.

Sell Trade Steps:

Step #1 Apply Both Fractals and Bill Williams Alligator Indicator on Your Chart

Step #2 A down fractal must appear below alligator teeth and The price action must stay below the Alligator Teeth for at least 5 consecutive candles.

Step # 3 Price Action Need to Break Below Fractal Candle That was Distinguished in the first step.

Step #4 Exit the trade when two of the alligator lines cross over each other.

Conclusion

This basic Fractal Blaster Strategy should lead you in the right direction if you have been searching for a great strategy to use with these indicators. There are many different strategies you can use with these indicators, but in our experience, we like this combination of the Bill Williams indicators.

Many argue that every indicator is “lagging” and rarely show you profitable entries. This strategy uses the combination of price action analysis that complements these great indicators. So if you are one of the skeptics, give this strategy a try and let us know your results. We love hearing your guys feedback!

P.S. If you aren't a believer in an indicator based strategy, check out our [**price action pin bar strategy**](#) on our blog.

Thanks for reading!

Here are some Great Example Trades with the Fractal Blaster Strategy!

Example #1 EURUSD 1- hour chart (day trade)

Step #1 Apply Both Fractals and Bill Williams Alligator Indicator on Your Chart



Step #2 A down fractal must appear below alligator teeth and The price action must stay below the Alligator Teeth for at least 5 consecutive candles.



Step # 3 Price Action Need to Break Below Fractal Candle That was Distinguished in step #1

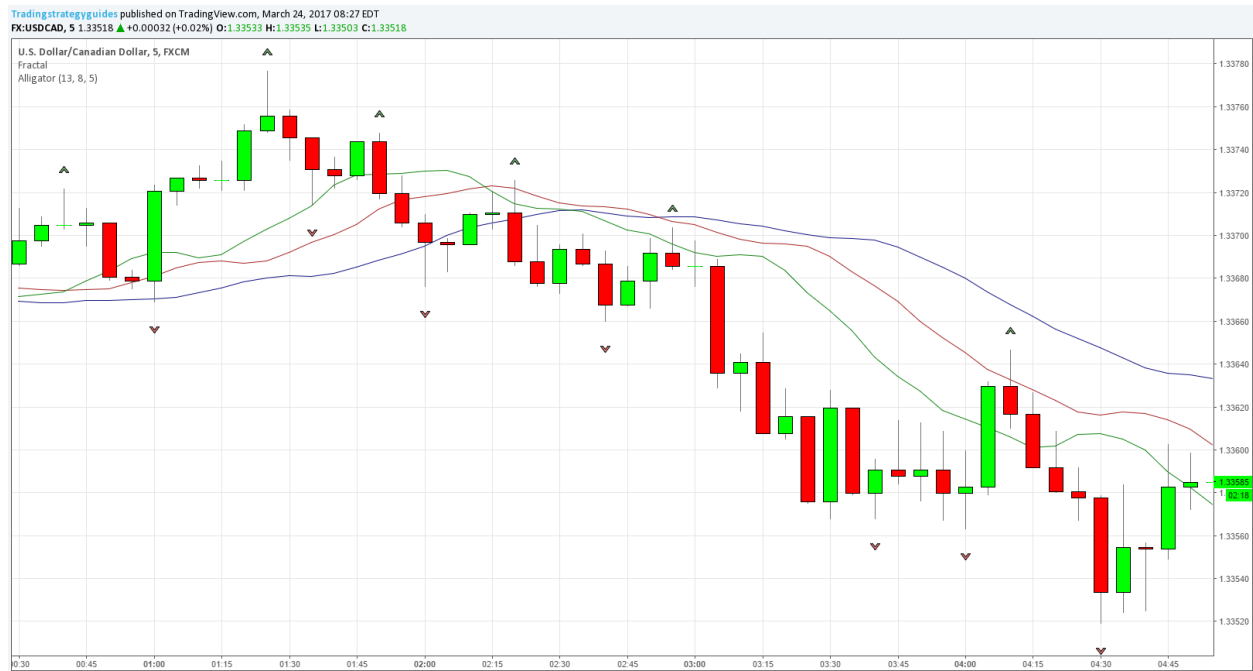


Step #4 Exit the trade when two of the alligator lines cross over each other or when price action is consolidating. You make the decision!

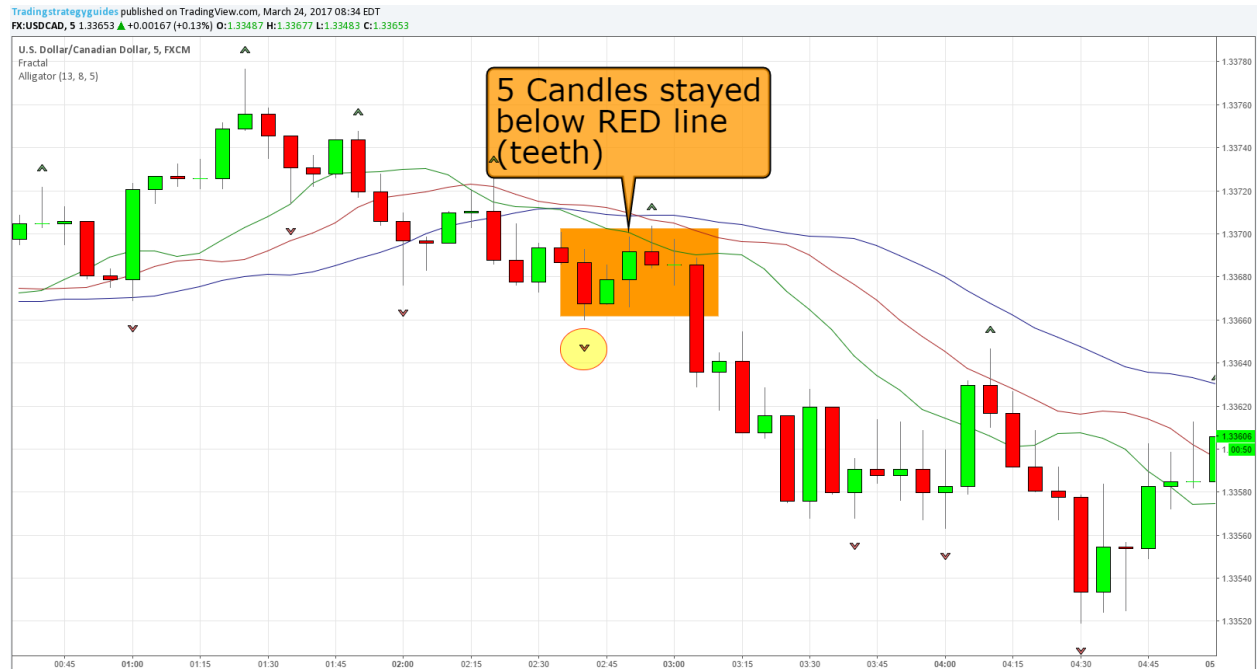


Example #2 USDCAD 5-minute chart (scalping)

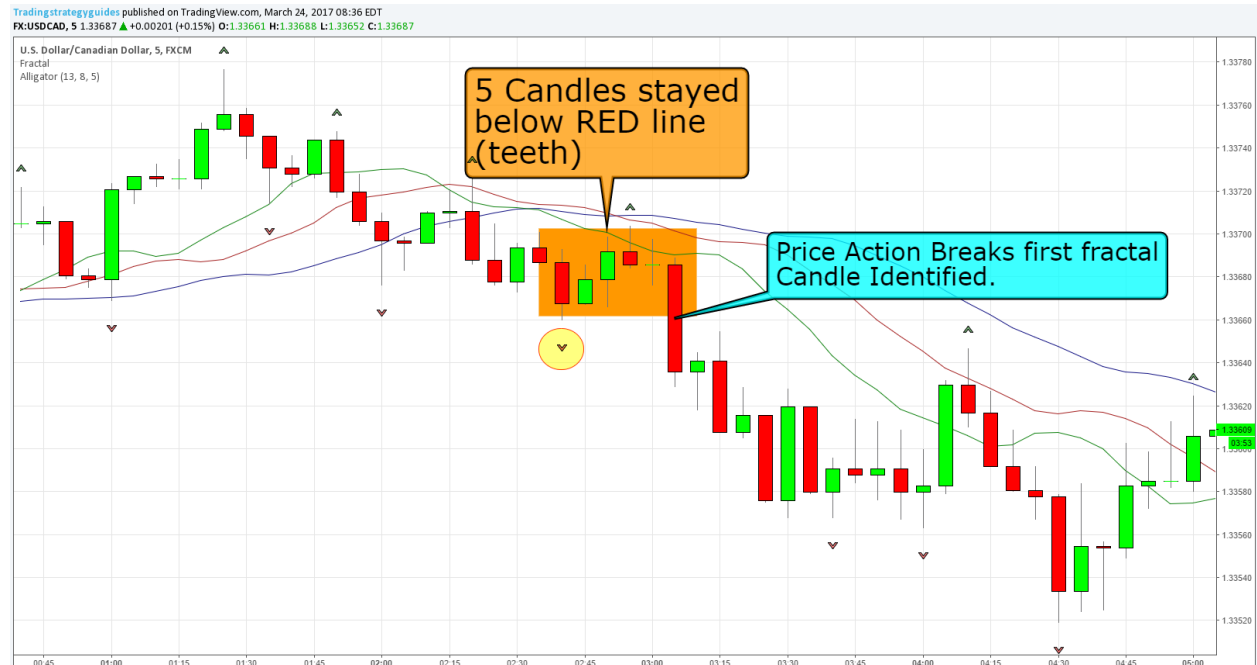
Step #1 Apply Both Fractals and Bill Williams Alligator Indicator on Your Chart



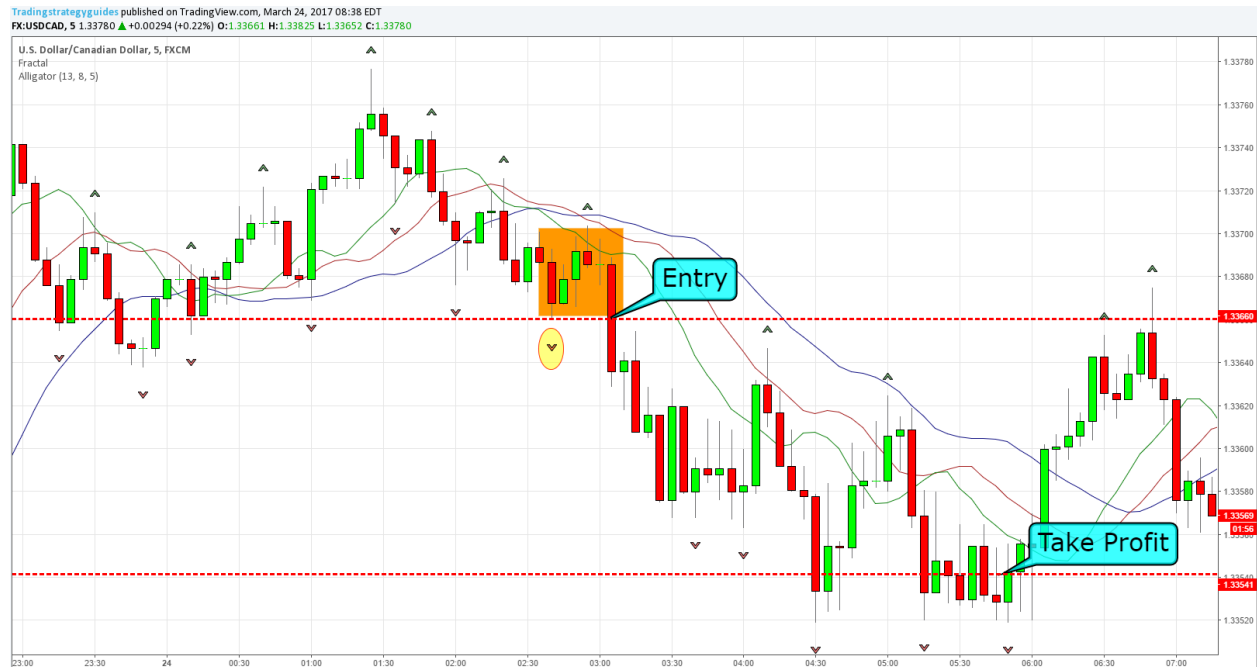
Step #2 A down fractal must appear below alligator teeth and The price action must stay below the Alligator Teeth for at least 5 consecutive candles.



Step # 3 Price Action Need to Break Below Fractal Candle That was Distinguished in step #1



Step #4 Exit the trade when two of the alligator lines cross over each other.



Price action consolidated and we were up 10 pips so this scalping trade we would have got out here. This was a very quick, but profitable trade.

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