

CONTRARIAN MOMENTUM CHEAT SHEET FOR CRYPTOCURRENCIES

This cheat sheet is a step by step process on how to trade with the Contrarian Momentum Strategy

How to find the high and the steps to buy:

The Momentum Contrarian Strategy is a powerful strategy. Make sure you practise on a demo first before going live. Important, do NOT SELL SHORT when investing (without a stop loss), unless you are trading in which case you can sell short but ONLY with a stop loss order, not risking more than 1% of your portfolio. This is a trading strategy and can happen at any stage throughout the day. It does not take longer than our investment strategies, where you put in 20 minutes the same time every day. With trading you need more flexibility of time!

Step 1.

Choose an asset to buy

Start out with the two biggest assets (ETH and BTC) but as you become better you can use the strategies on assets you believe cannot go to zero BUT we would not go outside top 10.

For Example:
ETH/FIAT or Stablecoin
AND
BTC/FIAT or Stablecoin

because they drive the market and are the safest. This is where we would start out.

Step 2.

Decide which approach to use:

Approach: 4-hour candle if you have less flexibility throughout the day.

Approach: 1-hour candle if you have more flexibility.

The setting for RSI is always 14 no matter what timeframe you are using



Step 3.

Decide Allocation - Safer:

The safer approach means you enter 5 times. This is for beginners.

Use the Contrarian Momentum Calculator to work out the levels and how much to invest.

Option 1: Safer

Decide the amount you want to invest in total
Divide into 5 parts and invest 25% more each time it falls

Example:

1. 122 USD
2. 152 USD
3. 190 USD
4. 238 USD
5. 298 USD

In total: 1000 USD

It can be done with any currency, such as USD, GBP, EUR or a Stablecoin such as USDT, or USDC.

Decide Allocation - Less Safe:

The less safe approach means you enter 3 times. This is for more advanced investors.

Use the Contrarian Momentum Calculator to work out the levels and how much to invest.

Option 2: Less Safe

Decide the amount you want to invest in total
Divide into 3 parts and invest 25% more each time it falls

With 3 entries you enter with more money at each level BUT you do not prepare for the same amount of entries

Example:

1. 261 GBP
2. 330 GBP
3. 409 GBP

Total: 1000 GBP

EXAMPLE:

1st Entry	122 USD
2nd Entry	152 USD
3rd Entry	190 USD
4th Entry	238 USD
5th Entry	298 USD

Total	1000 USD
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EXAMPLE:

1st Entry	261 USD
2nd Entry	330 USD
3rd Entry	409 USD

Total	1000 USD
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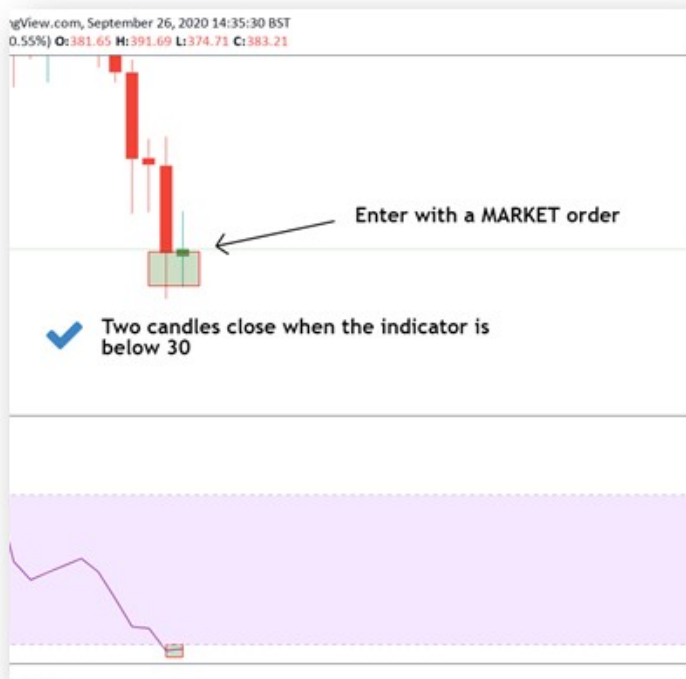


Step 4.

Enter the trade

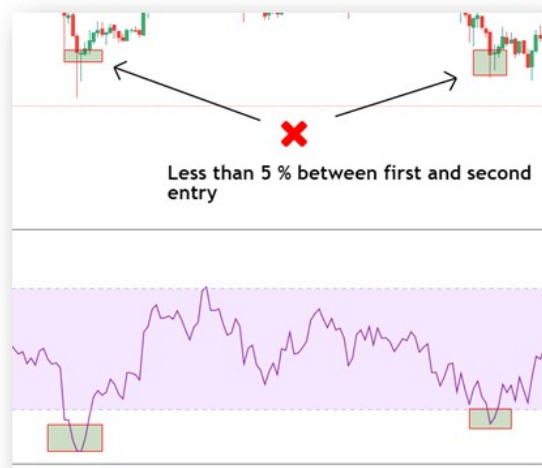
ONLY Buy to enter if RSI is under 30 (undervalued) AND 2 candles close while the RSI is still below the 30 line. The reason we wait for two candles to close is because we do not want to catch a falling knife (that we see a massive drop happening after the first candle has closed).

Example:



Now, only two scenarios can happen. Either the crypto goes up 5% and you take the profit (set a stop loss above to let the profits run), or the crypto goes down taking the indicator below the 30 line a second time. Please note, it needs to have risen above the 30 line and then fallen below the 30 line again before you can get in again.

Remember, there need to be at least a difference of 5% from your first entry to the next so you do not enter at the same price at last time.



Important Points

Repeat step number 4 as many times as you have decided depending on your allocation. Remember, you are adding 25% more funds each time you enter.

The more times you enter, the more you bring your average price down and therefore your 5% total average profit target comes down also. Therefore, each time you enter again you must change your total average profit target. Set a new alert each time.

Step 5.

Trade Management

Take Profits: Decide when to take your profits. There are 2 options:

No flexibility of time: As soon as you are in the trade. Set a take profit at the 5 % profit. Important, do it NOW while you remember.

More Flexibility during the day: Set an alert at 5 %, do it NOW and do not forget. When that is hit then put the stop loss 1 % below candle that is taking you up to a 5 % profit.

Example:

