



Strategy Master Class

SECTION 2: EMA/FIB PIERCE AND BOX PLACEMENT.

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Section 2: Intro.

Now that we have mastered Section 1 we are able to now confidently place out fib and recognize our initial pullback. In this section we will master recognizing the correct Fib and EMA pierce before moving onto also mastering our box placement. We do not show the complete trade in this section as we want you to only concentrate on recognizing at this point the criteria shown.

EMA/FIB PIERCE

When we look at this part of the strategy it is pretty straight forward to execute but mistakes can still be made, and mistakes lead to consequences. We don't like consequences when trading, so let's take a look at correct and incorrect execution.

Figure 2.1



Looking at Figure 2.1 with our correct fib placement and great looking pullback we can see our USD/JPY Chart has shown a textbook entry using our updated strategy. It really is this simple to recognize, perfectly clear Fib pierce of the 38% level and a pierce straight through our 14EMA. So what mistakes can we make at this part of the trade?

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So what mistakes can we make at this part of the trade? Figure 2.1 shows the text book criteria for entry but most importantly in this section let's take a look at wrong execution.

Figure 2.2



In figure 2.2 after the pullback we can see that the last bullish candle has pierced the EMA and 50% Fib. So what is wrong here?

The EMA pierce we are looking for is of the red **14EMA**! In this example we have an incorrect pierce of the blue **50EMA**.

*We have also deliberately placed a mistake made from section 1 in figure 2.2. Find this using the rules and take note of it for exercise purposes at the end of this section.

Figure 2.3



Here at a glance at Figure 2.3, this may seem like a good entry point. We encourage our students to zoom in on their trade at the stage of pullback and make sure there is space between (in this instance the 23% level) Fib and the body of the candle. The only part that should be touching is the pierce of the wick through the required fib level. This can be a common mistake made at this stage of a pullback so be vigilant and use that zoom tool.

*We have also deliberately placed a mistake made from section 1 in figure 2.3. Find this using the rules and take note of it for exercise purposes at the end of this section.

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Figure 2.4



Figure 2.4 at length may look like an entry point to some students which is why we emphasize again the importance of zooming in to study your pullback. Here we see the wick of our candle has not properly pierced the 23% fib. No Entry!

*We have also deliberately placed a mistake made from section 1 in figure 2.4. Find this using the rules and take note of it for exercise purposes at the end of this section.

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Figure 2.5



We should now get the idea of zooming into our pullbacks for further analysis before entry. In Figure 2.5 we see our wick has pierced our 50% level giving one of our confluences to our criteria but has not fully pierced our red 14EMA ! No Trade!

*We have also deliberately placed a mistake made from section 1 in figure 2.5. Find this using the rules and take note of it for exercise purposes at the end of this section.

Box Placement

We have shown the EMA/FIB placement first in this section for a few different reasons. For starters the EMA/FIB tends to show in the charts more often, it has a higher success rate than the box placement strategy and is easier to spot a perfect entry. Having all these reasons of benefit gives us no excuse other than to look for the perfect box placement when executing this use of the strategy! Here we will demonstrate correct box placement.

Figure 2.6



Figure 2.6 shows our EMA cross, and first signal of our pullback, this is when we start to look for our box. Here we the first thing we look for is our first low or high (PEAK) before the EMA cross which is highlighted with arrows in this downtrend. The second confluence for our box placement is to our lowest wick line up with or be close to one of our Fib Levels. Which in this case is our 38% Level.

Figure 2.7



Figure 2.7 shows us the same entry criteria as Figure 2.6 but in an uptrend. We have our first low or high (PEAK) before the EMA cross which is highlighted with arrows in this uptrend and our second confluence for our box placement is to our highest wick, lining up with or close to one of our Fib Levels. Which in this case is our 38% Level.

We must make sure our “PEAK” is crystal clear! Also that it is the first “PEAK” before our EMA cross and that our highest or lowest wick (depending on the direction of trend) of the “PEAK” is lining up or close to one of our fib levels.

We have explained the perfect box placement and find no reason to give examples of wrong box placement as this should speak for its self. If it doesn’t look right or doesn’t feel right, then it most probably isn’t right!

Section 2: Exercise

For this sections exercise, we would like you to send us :

5 Examples of EMA/FIB Execution

5 Examples of perfect Box Placement & 4 answers to the *questions from our Figures.

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