
US Government Bond Trading Strategy

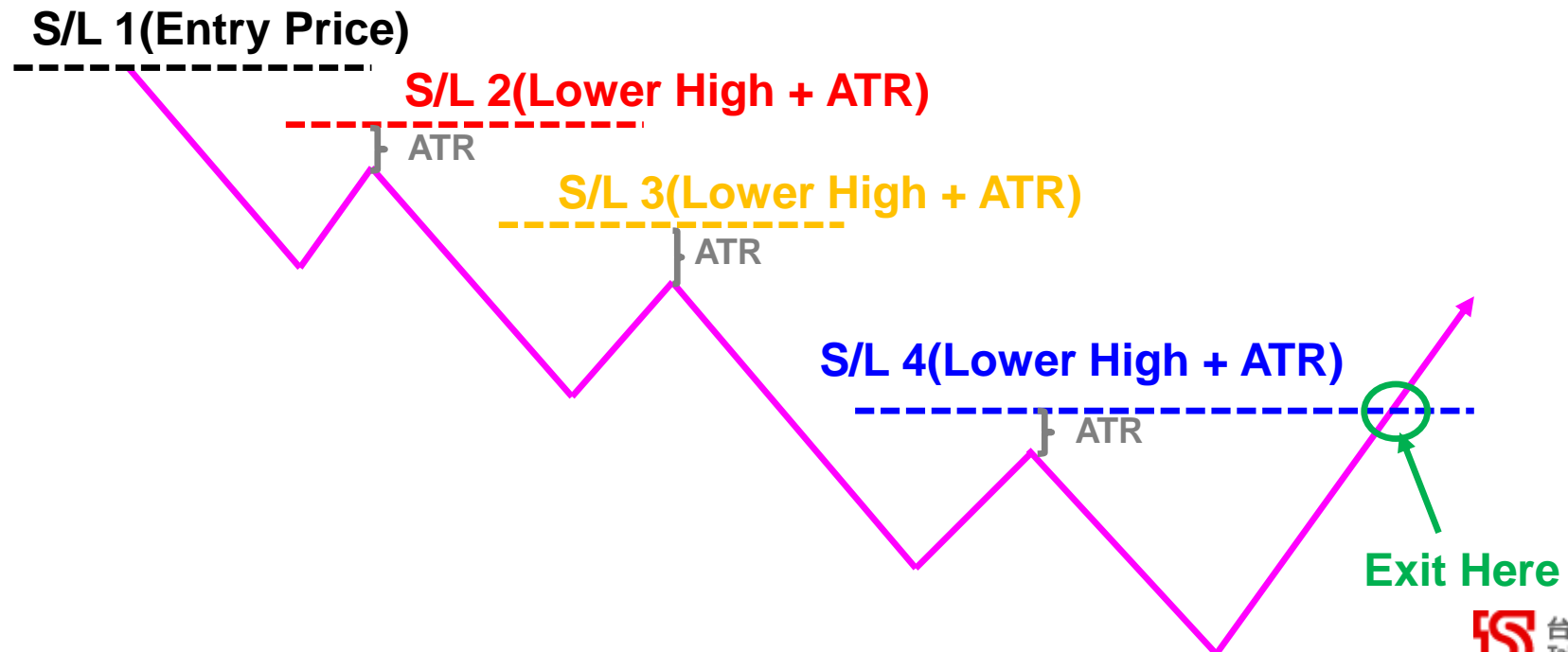


僅供內部教育訓練之用，請勿外流

Multiple Targets

Setting R/R ratio equal to 1.0 is too conservative and we can use Multiple Targets method to avoid missing a long trend.

1. Set Reward/Risk ratio as 1.0
2. If initial P/T level has been triggered, take profit for half of the position and reset the other half's S/L equal to its entry price
3. Use trailing stop as the profit-taking method, which is when the price retests the previous high + ATR(for short) or the previous low – ATR(for long), then take profit.



Trading Strategies

Use 4-Hour Chart

1. Counter-Trend Trading

Engulfing + RSI(14) Overbought / Oversold

2. Following-Trend Trading

Pull Back Trading Strategy 1&2&3

20EMA Strategy 1&2&3

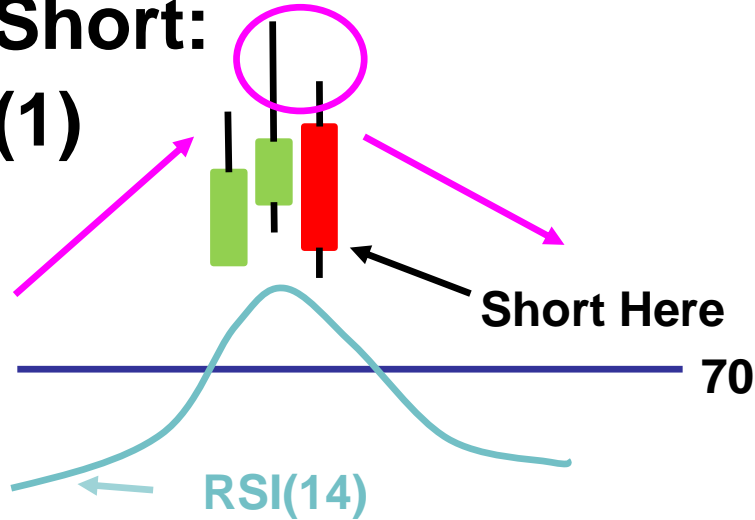
Counter-Trend Trading



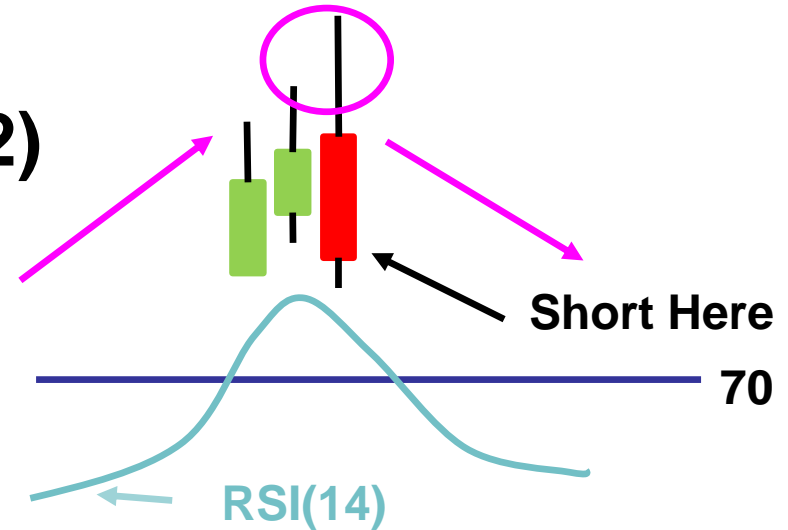
Reversal Strategy(Engulfing + 14RSI)

Short:

(1)

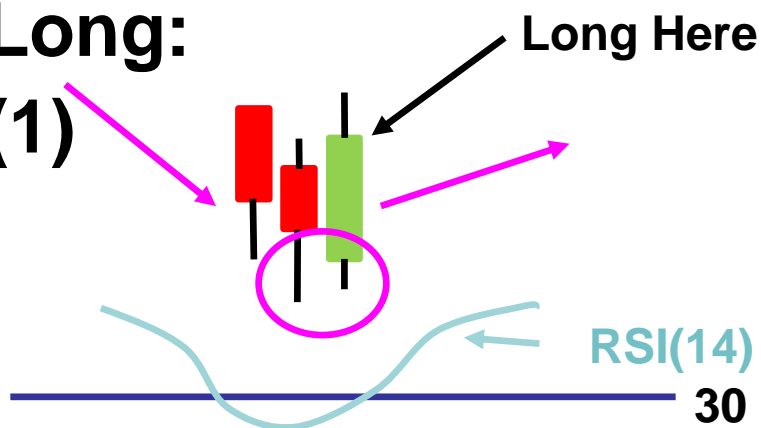


(2)

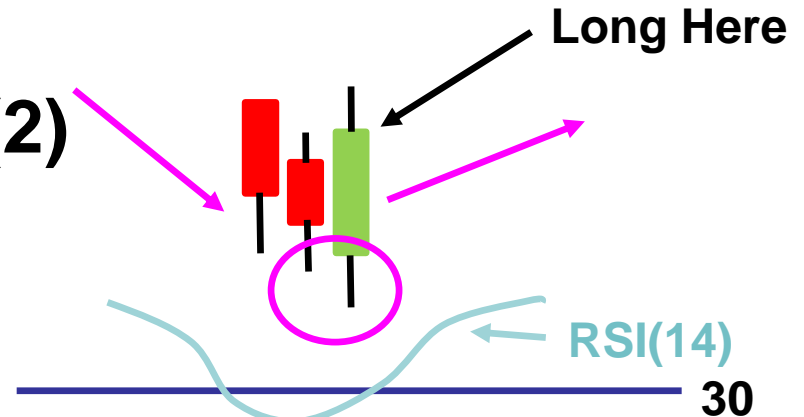


Long:

(1)



(2)



Following-Trend Trading

***Pull Back Trading Strategy 1(4-Hour Chart)**

1. Long Signal:

- (1) Prices must be above 200EMA**
- (2) Prices must make a new higher high**
- (3) At least 2 bearish candlesticks pull back**
- (4) Engulfing pattern forms above 200EMA and one of these 2 lower wicks must be a swing low**
- (5) Entry candlestick can't close above the body of the swing high candlestick**
- (6) R/R ratio is about 1.0~1.5**

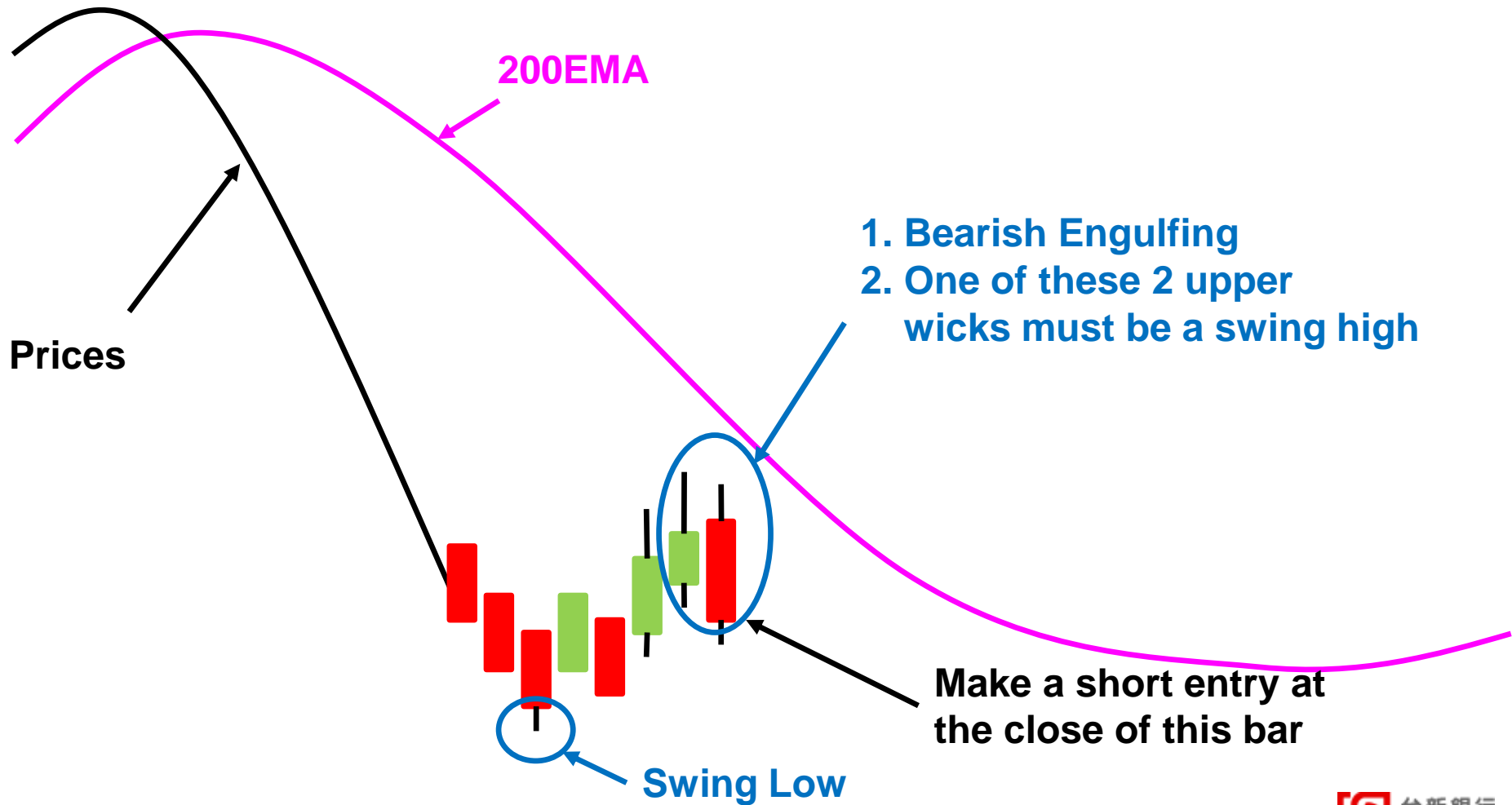
2. Short Signal:

- (1) Prices must be below 200EMA**
- (2) Prices must make a new lower low**
- (3) At least 2 bullish candlesticks go up**
- (4) Engulfing pattern forms below 200EMA and one of these 2 upper wicks must be a swing high**
- (5) Entry candlestick can't close below the body of the swing low candlestick**
- (6) R/R ratio is about 1.0~1.5**

Following-Trend Trading



*Pull Back Trading Strategy 1 Short Signal:



Following-Trend Trading

***Pull Back Trading Strategy 2**

1. Long Signal:

- (1) Prices must be above 200EMA**
- (2) Prices must make a new higher high**
- (3) At least 2 bearish candlesticks pull back**
- (4) Engulfing pattern forms above 200EMA and one of these 2 lower wicks must be a swing low**
- (5) Entry candlestick can't close above the body of the swing high candlestick**
- (6) Only one candlestick closes below 200EMA before the entry**
- (7) R/R ratio is about 1.0~1.5**

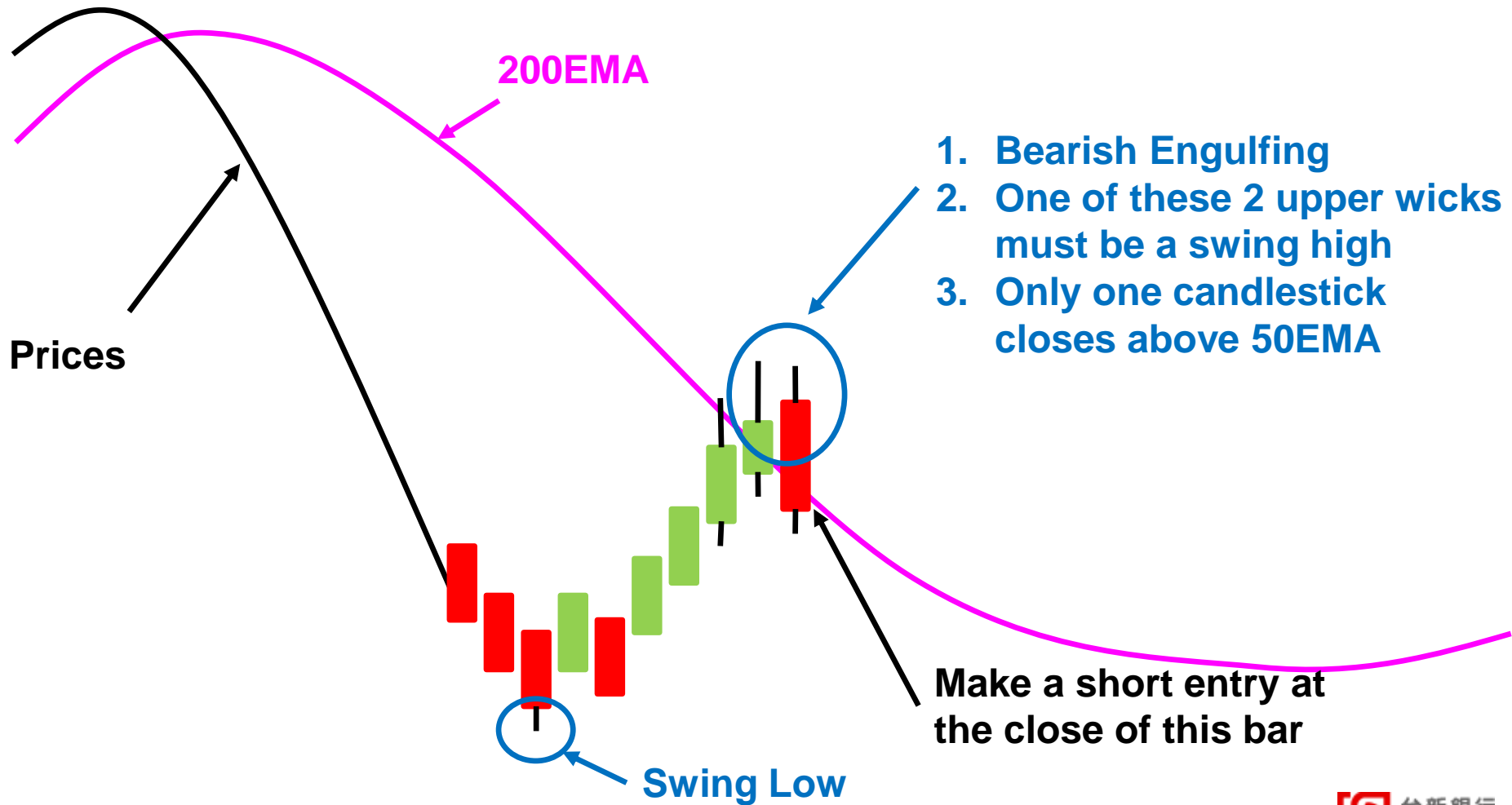
2. Short Signal:

- (1) Prices must be below 200EMA**
- (2) Prices must make a new lower low**
- (3) At least 2 bullish candlesticks go up**
- (4) Engulfing pattern forms below 200EMA and one of these 2 upper wicks must be a swing high**
- (5) Entry candlestick can't close below the body of the swing low candlestick**
- (6) Only one candlestick closes above 200EMA before the entry**
- (7) R/R ratio is about 1.0~1.5**

Following-Trend Trading



*Pull Back Trading Strategy 2 Short Signal:

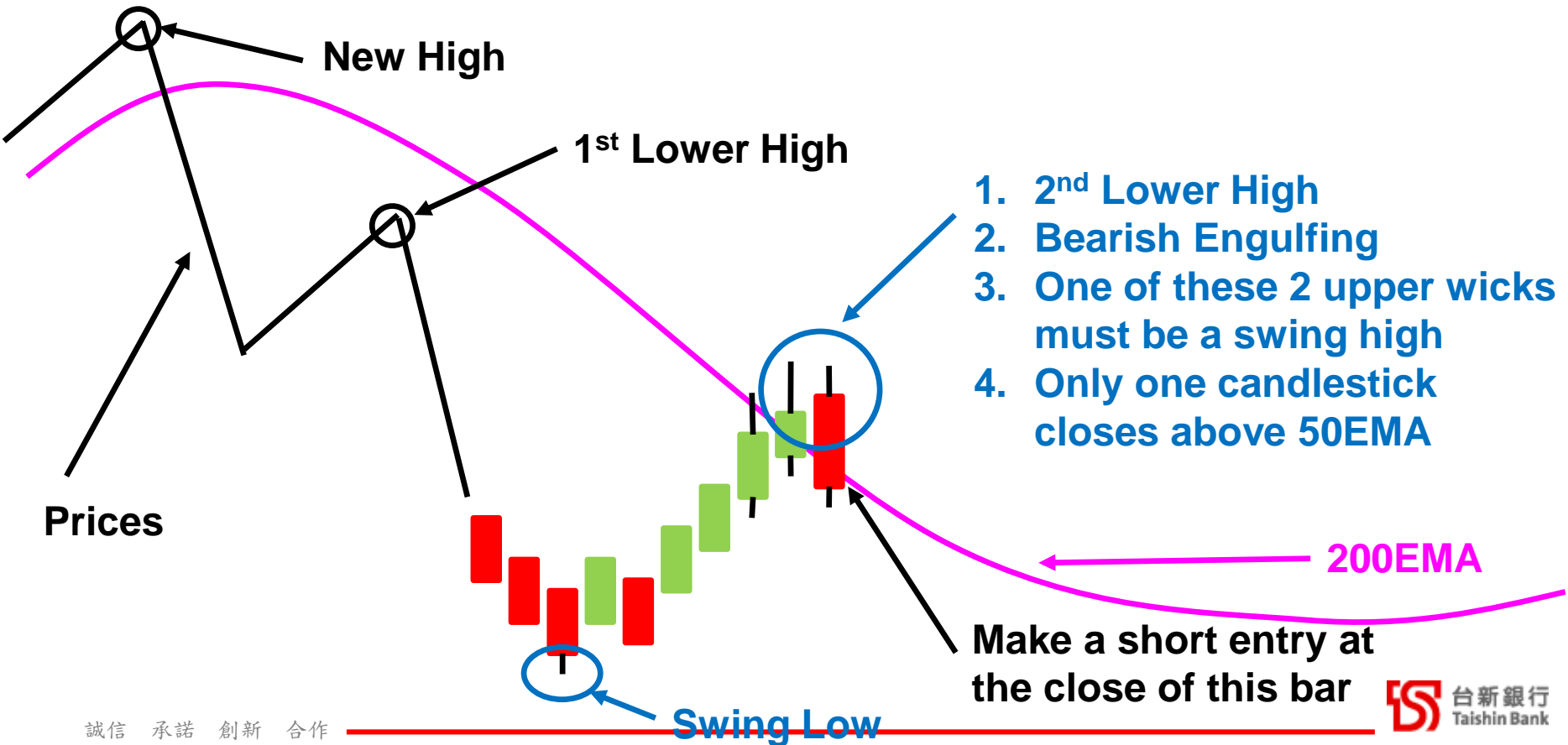


Following-Trend Trading

*Pull Back Trading Strategy 3

Follow the rules of Pull Back Trading Strategy 1&2 except rule 5 but the signal should be valid after the 2nd lower high(for short signal) or higher low(for long signal) appears.

Short Signal:

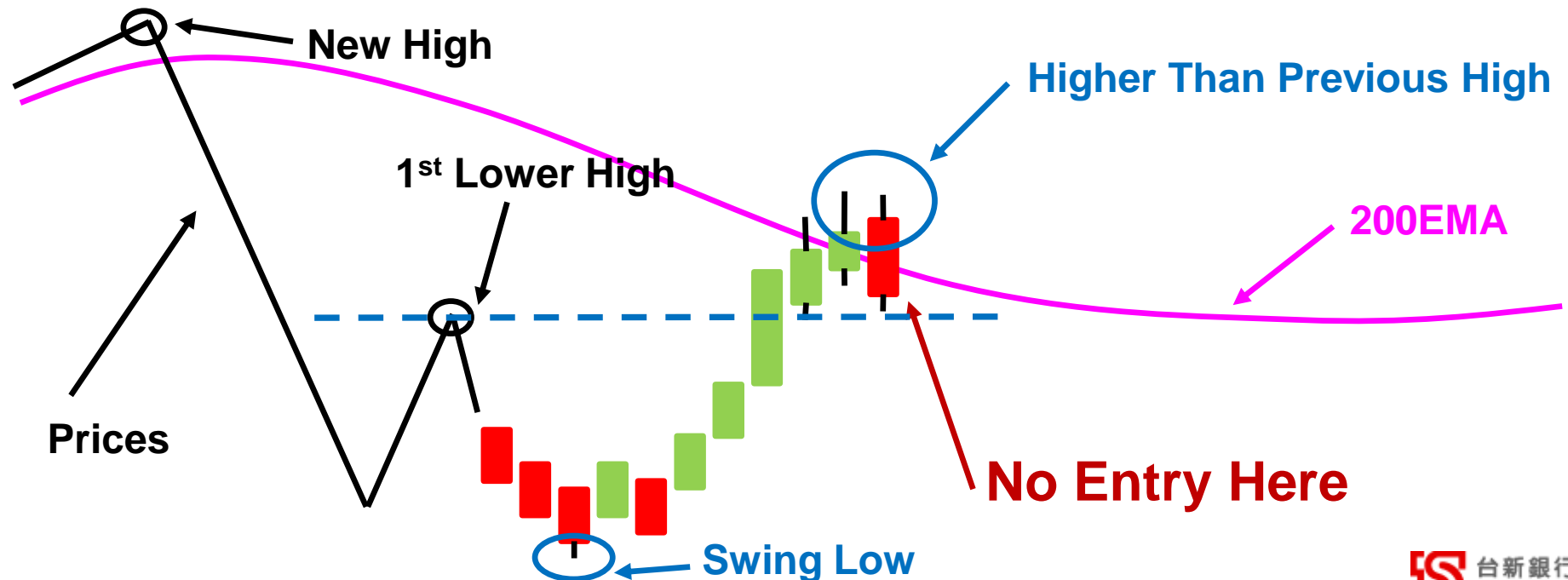


Following-Trend Trading

*Pull Back Trading Strategy 3

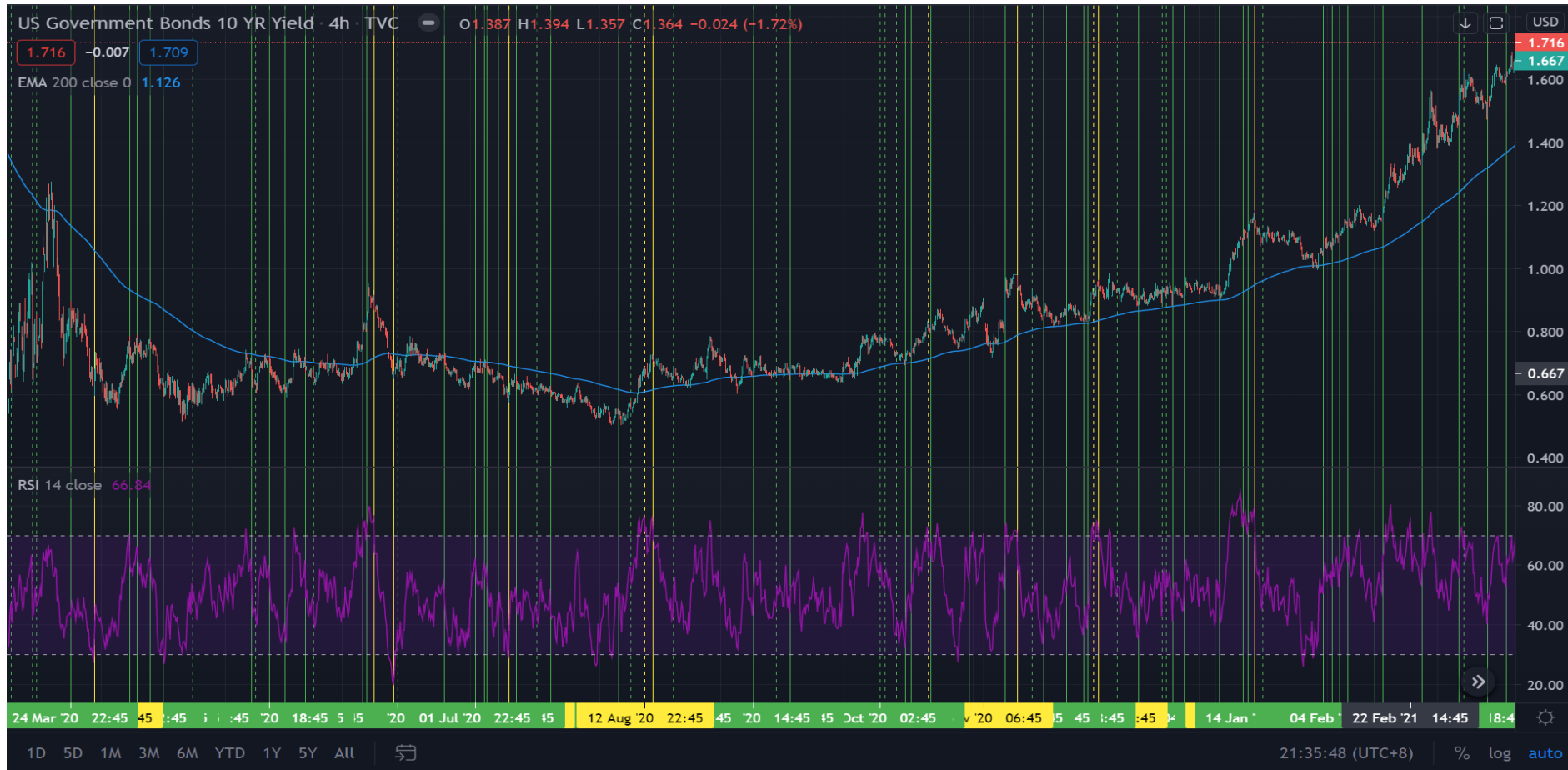
Notice: (1) In a downtrend, if the short signal appears with a higher high, ignore this one. (2) In an uptrend, if the long signal appears with a lower low, ignore this one. (3) The body of the engulfing candlestick should not be too small.

In a Downtrend:



Back Testing(Pull Back Trading Strategy 3 + Reversal Strategy)

US10Y 4-Hour Chart, Green Line=Following-Trend Signal, Yellow Line=Counter-Trend Signal, Solid Line=Gain, Dashed Line=Loss, S/L=Entry Bar Low/High \pm ATR, R/R Ratio=1, Win Ratio=70.88%



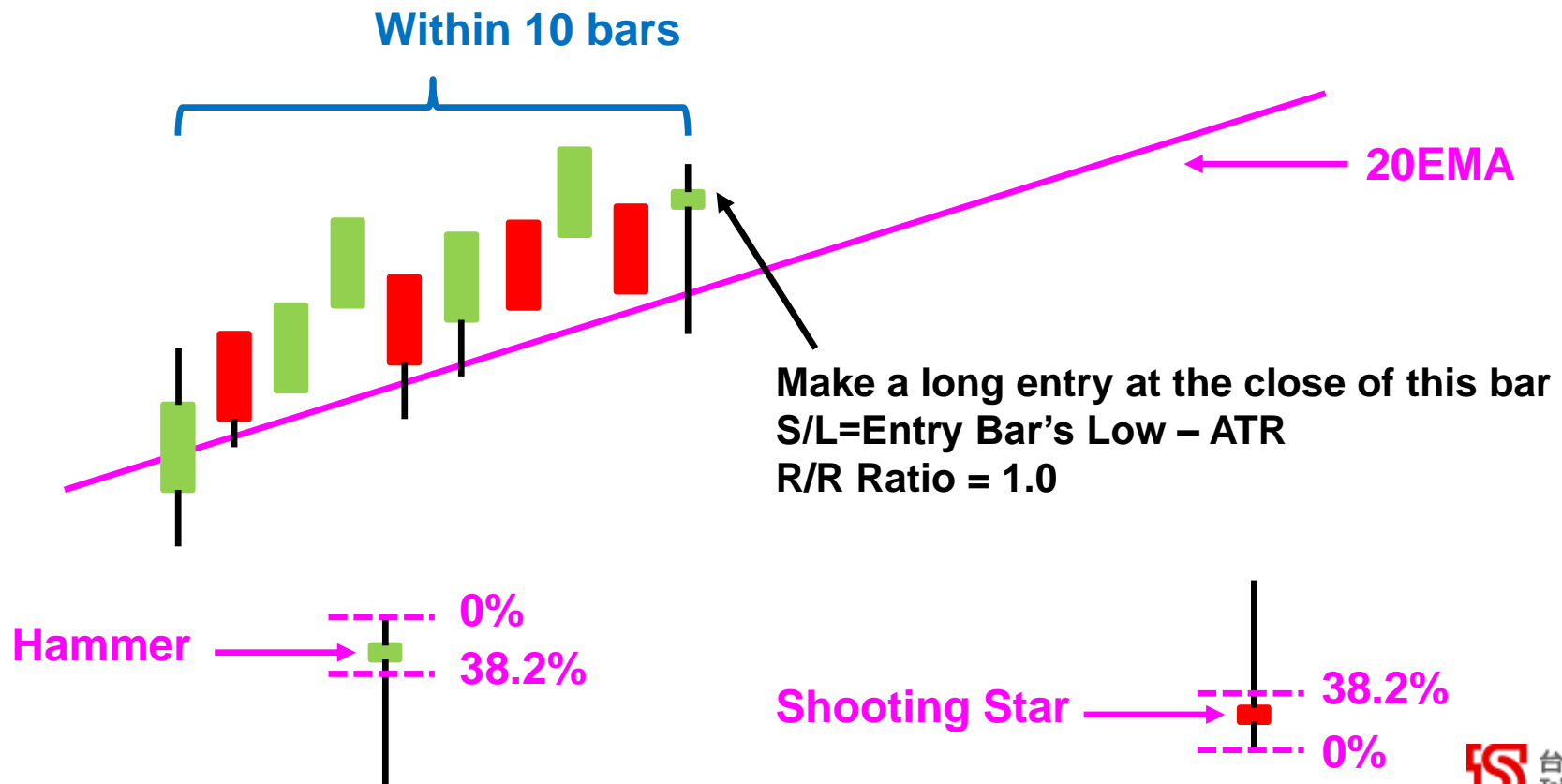
Following-Trend Trading



*20EMA Strategy 1

Look for a break below/above 20EMA. Directly after the break, look for a shooting star/hammer candlestick in the appropriate direction withing the next 10 candlesticks(including the breaking one)

Long Signal:



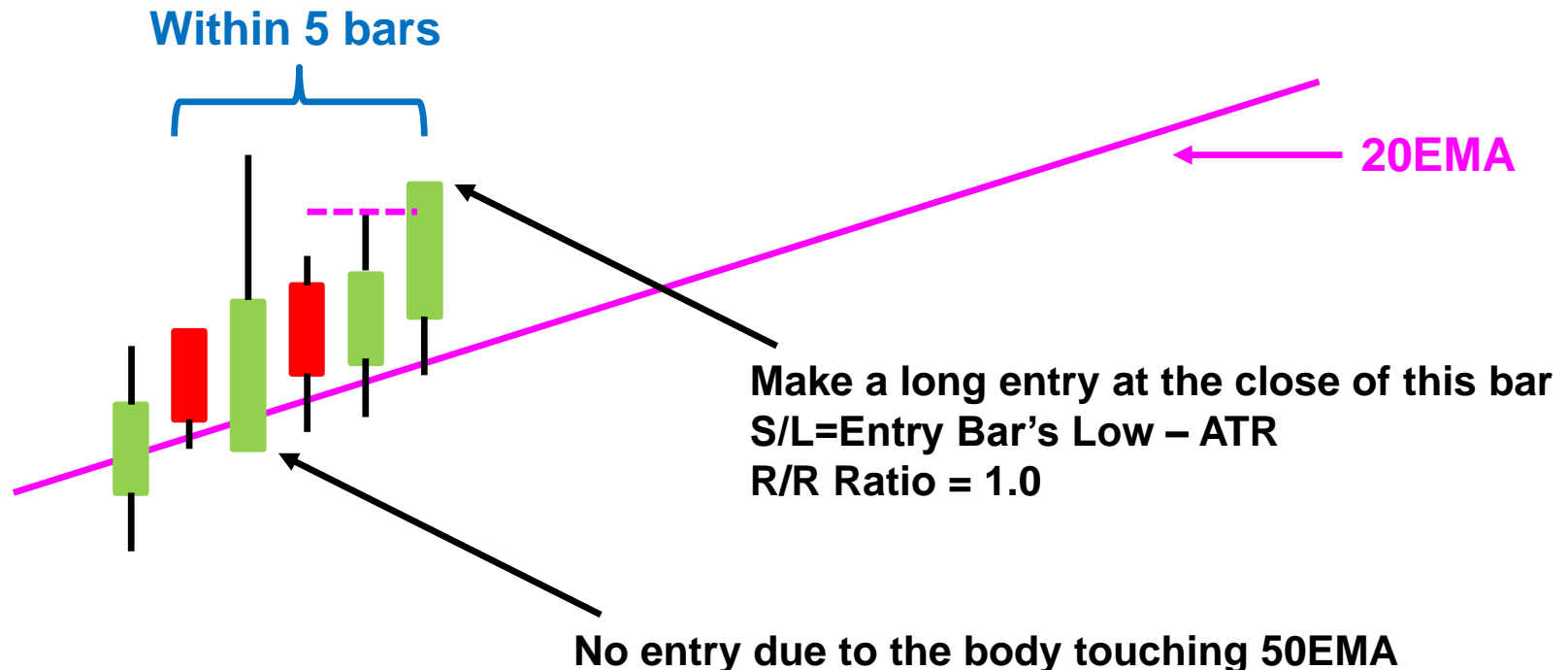
Following-Trend Trading



*20EMA Strategy 2

Strategy is a cross of 20EMA with just a close of a candlestick followed by a close below/above previous candlestick within the next 5 candles(excluding the crossing one) after the candlestick crossing 20EMA. Then entry candlestick can't be the one that crosses 20EMA. The body of the entry candlestick can't touch 20EMA.

Long Signal:



Following-Trend Trading

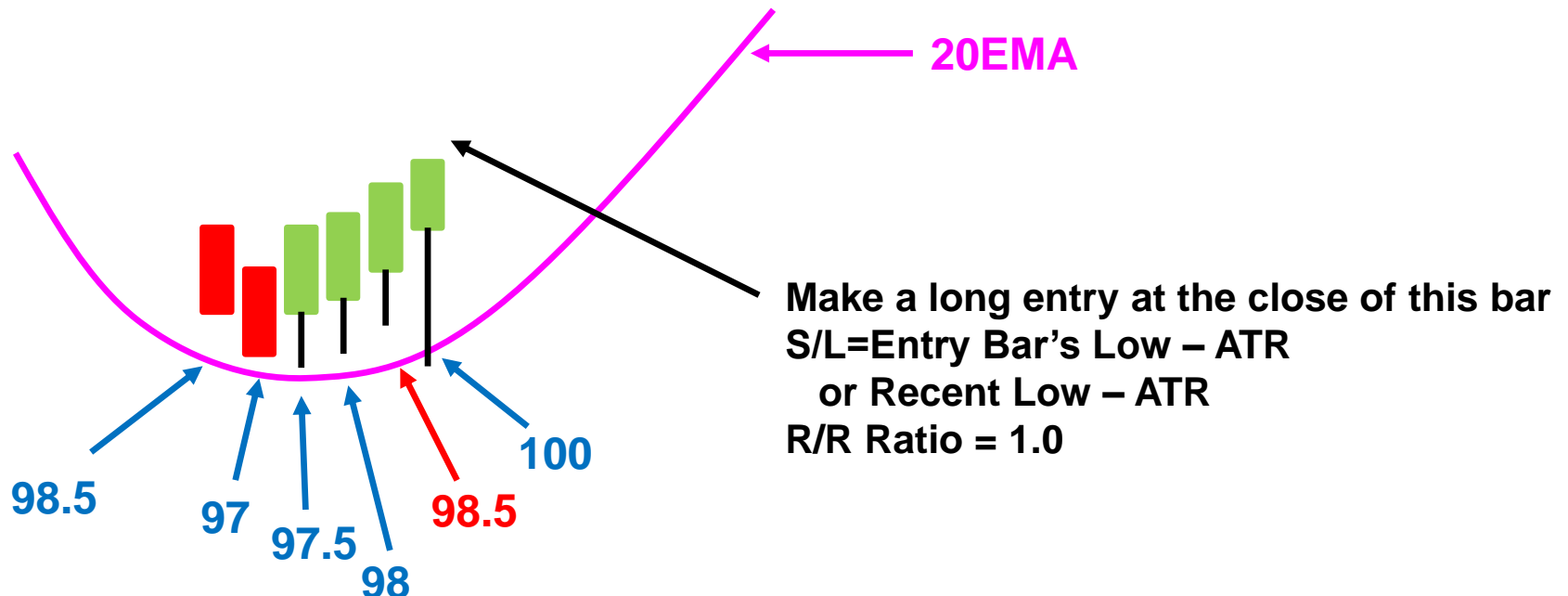


*20EMA Strategy 3

In an uptrend, if a bullish candlestick touches 20EMA but closes above it, and 20EMA goes up for last 3 intervals consecutively, make a long entry

In a downtrend, if a bearish candlestick touches 20EMA but closes below it, and 20EMA goes down for last 3 intervals consecutively, make a short entry

Long Signal:



Back Testing(Pull Back Trading Strategy 3 + 20EMA Strategy 3)

US10Y Daily Chart, Green Line=PB3 Signal, Yellow Line=20EMA3 Signal, Solid Line=Gain, Dashed Line=Loss, S/L=Entry Bar Low/High +/- ATR, R/R Ratio=1, Win Ratio=72.73%

