

一目均衡表

Ichimoku Kinko Hyo

100% new way to understand its Magic & Power with relation between price and time

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"Equilibrium chart at a glance"

"The Power of Achieving Aims is Desire and Trust"

Ichimoku 5 component = Past + Present + Future

Golden Rule: Wait The Attraction After The Action



Hello Traders and Friends, All of us trade for making our life better to improve our income and you will be happy when you did , but also we share and care for each other and no money equal that, I am Mohamed from Egypt my user name is "EgyTrader" in ForexFactory,

<http://www.forexfactory.com/member.php?u=124323>



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Thanks to you " VIC " the "Kumo Warriors"

the Creator of the topic "Ichimoku forever".

<http://www.forexfactory.com/showthread.php?t=190646>

Who make many traders get their eyes on best charting system I ever use and I am sure I will not trying any another charting system instead of it.

Thanks for Many good analysts & traders who make this topic a piece of gold and make many people understanding how far they can go in Ichimoku world without any limit just work on studying and observations and you will learn more about the magic and power of Ichimoku and I am one of their followers.

Everyone has a special look to Ichimoku I will share with you how I am understand Ichimoku and look to it, I train my eyes to understand Ichimoku with a new way make it easier and powerful to trade with.

Before we start to go in details I want you to be sure you understanding just what Ichimoku 5 components and what it mean, I advise you to read ichimokuwiki.pdf and not stop reading it until you understand the 5 components completely to do that Click here to Download it

<http://rapidshare.com/files/316943675/IchimokuWiki.pdf>

When I talk about magic and power it will be clear Magic you can understand completely and it will be very simple no another indicator no complex methods no bla bla bla.

I) Introduction:

New understanding to Ichimoku kinko hyo:

- Trend
- Support and Resistance
- Time
- Stability
- Ichimoku Setting 9,17,26

II) Ichimoku Component (9,17,26):

- 1) Tenkan Sen & Kijun Sen (Kumo Sen).
- 2) Span A & Span B (Kumo Span).
- 3) Chinkou Span (The Navigator Key).

III) Special Properties of Ichimoku component:

IV) The Magical Pattern Breakout.

Introduction:

How we can understand the magic and power of Ichimoku kinko hyo charting system (I do not want any one please call it indicator or oscillator).

The idea is very simple but first I want you to look to Ichimoku by new way after that you will understand it magic easily.

Remember these principles and keep it in mind to understanding the next:

- **Trend** If we have a bullish trend we have a new highs, if we say trend in a certain TF (1D) make 5 new highs and in the next TF period make 8 new highs, so we can say the rate of increasing the

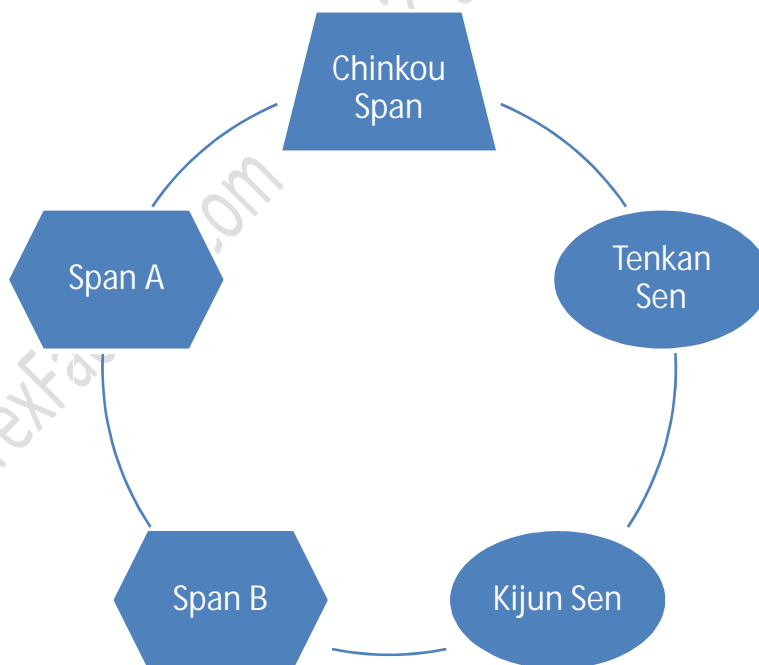
number of new highs in this TF increasing and vice versa for the bearish trend.

- The **support or Resistance** level price respect before will respect it again later now or after at any time, As longer as support or resistance level hold it will be stronger.
- So we can say as the price move and bullish trend rate increase (strong bullish) this mean price come over more levels in lower **Time**. If price stop at level more time than other level this mean it is a stronger resistance level, and trend is weaker than penetrate it in lower time.
- If you use two different MA 9 & 17, the lower period will react faster with price, In the bullish trend the 9 will be in the upper side and 17 will in the lower side of price and vice versa in bullish trend.
- Everything you see in your life or you do not see always trying to achieving its best state of stability starting from the atom to the sun.
- I use the setting **9,17,26** and it is ok for me and the rules I will explain work with the **9,26,52** setting also, but I prefer 9,17,26 setting . **TS** , **KS** , **SA** , **SB** , **CS**



http://rapidshare.com/files/340504329/Ichimoku_Kinko_Hyo_Magic.zip

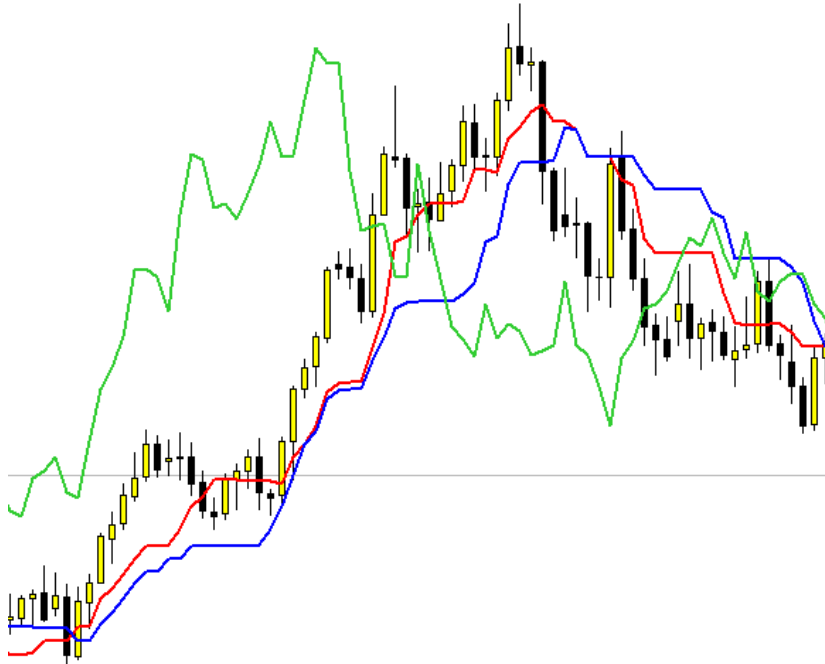
II) Ichimoku Component (9,17,26):



- 1) Tenkan Sen & Kijun Sen (Kumo Sen).
- 2) Span A & Span B (Kumo Span).
- 3) Chinkou Span (The Navigator Key).

1) Tenkan Sen & Kijun Sen (Kumo Sen).

I want you to visualize TS & KS as another Kumo, I called it “Kumo Sen”
train your eyes to see Kumo Sen always.

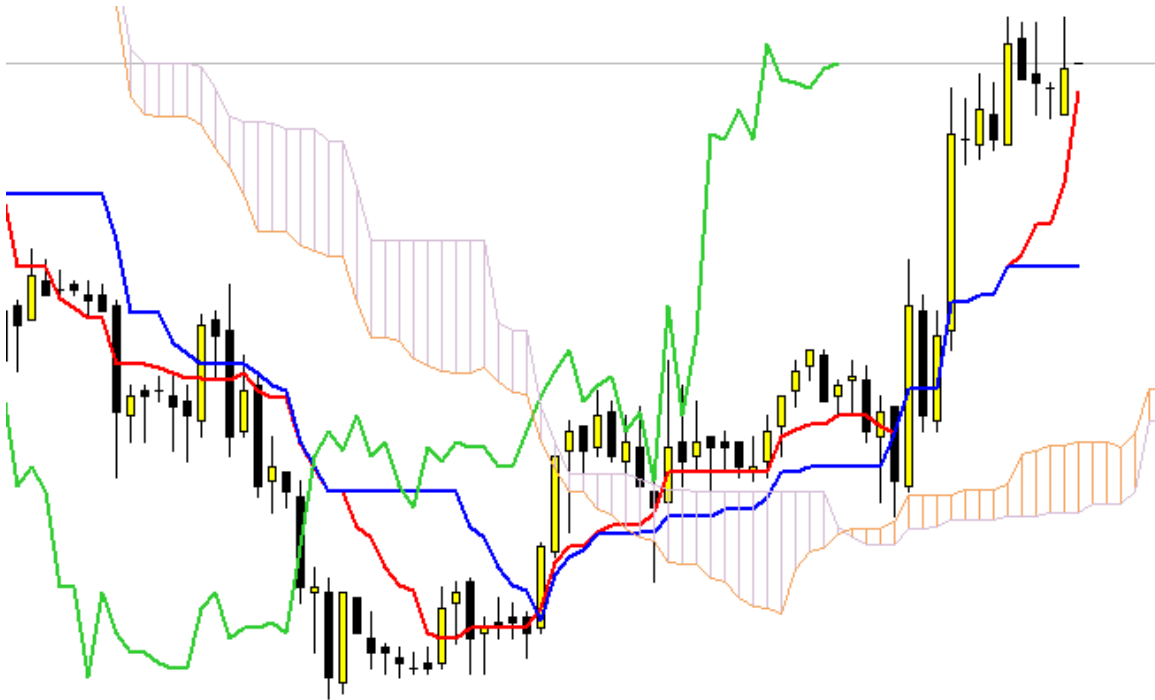


And see this is the Span A and Span B without colored area between them.



2) Span A & Span B (Kumo Span):

The Area between the two lines Span A & Span B called a “Kumo Span”



3) Chinkou Span (The Navigator Key):

CS is the eyes which guide you through navigating with Ichimoku Kinko Hyo charting system to tell you the next step.

III) Special Properties of Ichimoku component:

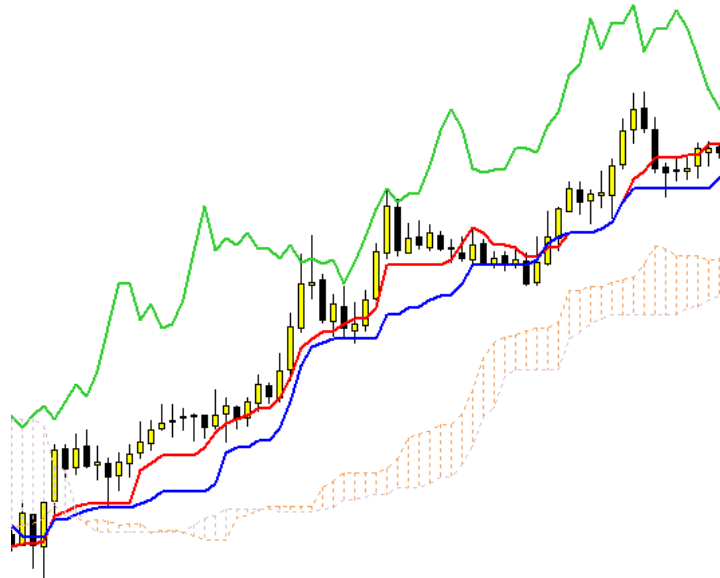
A) TS & KS

When we look to a trend from higher time frame we have the big picture about it and when we look for a smaller time frame we have the sensitive picture.

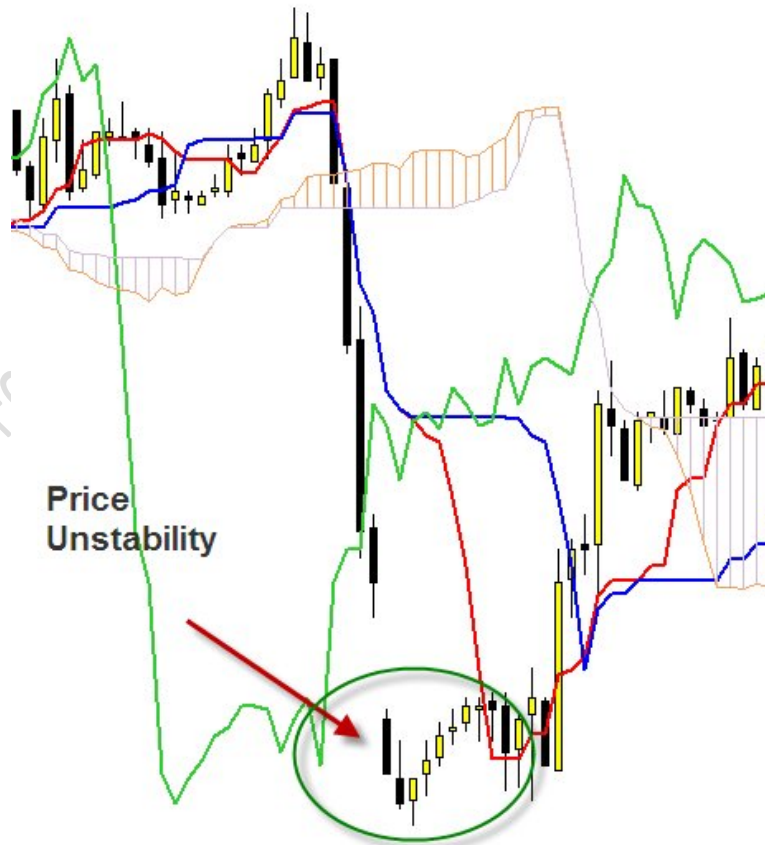
Ichimoku help us to have the sensitivity of lower time frame and power of higher time frame in one chart with one look.

TS & KS is the most sensitive part of Ichimoku with price specially TS.

The price is stable when it is above the TS & KS (Kumo Sen) in bullish trend and test this lines as support, and vice versa for bearish trend.



When price is far away from one or both lines the price is not stable and as soon as possible it come back to stability.



The TS and KS also refer to the strength of the trend:

- When the two lines move as one line or very close the trend is very strong, when the two lines moves as one I will call it "Sword Sen" , price is very stable due to it is very near to the both lines.

And when they move away from each other strength is weak and price equilibrium decrease.



The two lines maybe move as one line horizontally not vertically and this mean the trend is extremely week and there is a state of squeezing occurs and waits the explosion after it.

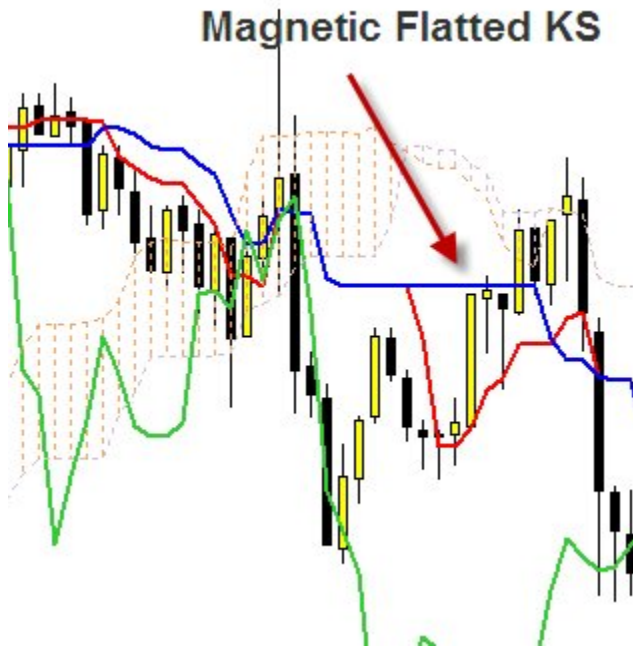
Note also the horizontal narrowing of Kumo span.



Magnetic power of KS:

These phenomena have two explanations

First: when the “Sword Sen” move and price become away from the TS & KS and lost its stability, then KS flattened after it act as a magnet

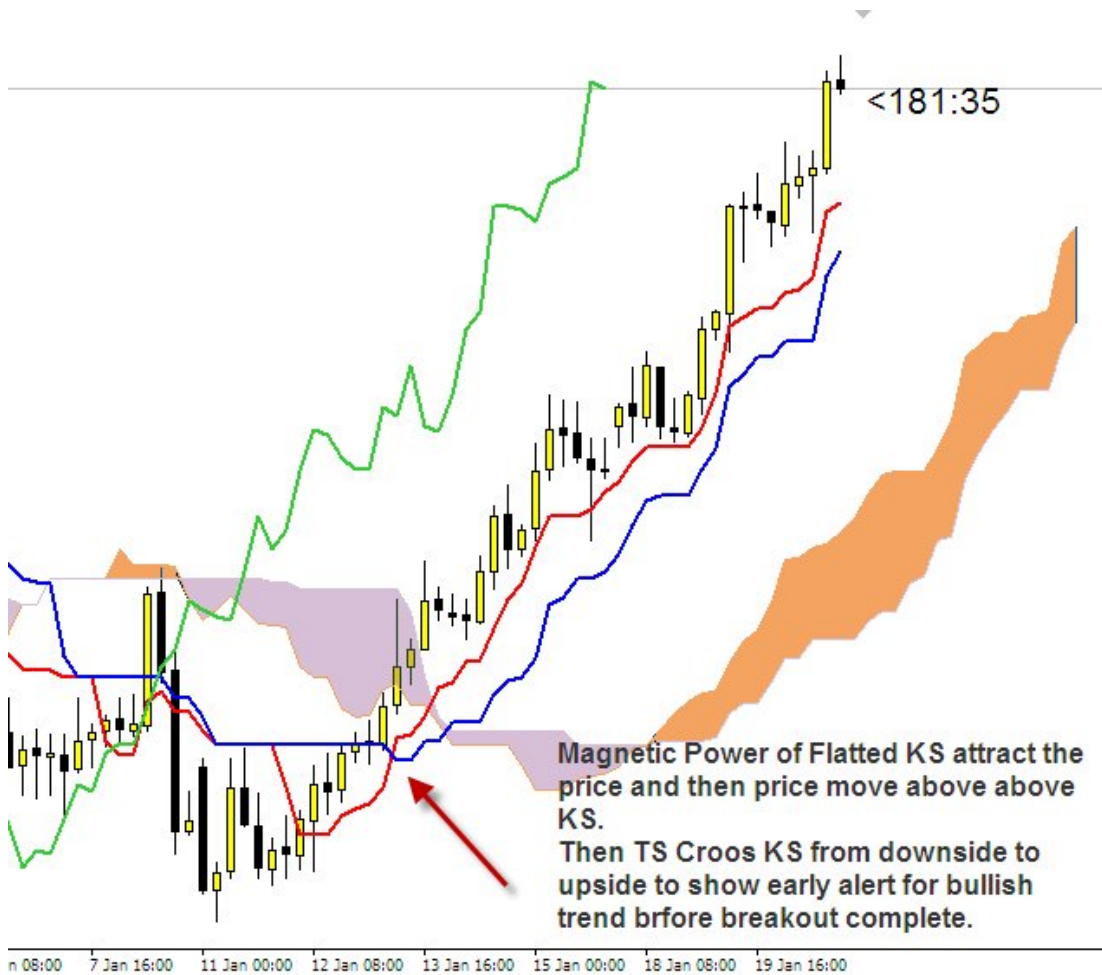


Second:

When price drop down from bullish trend and find support at KS and continue bullish again.



Also some time flatted KS attract the price then TS cross the KS to generate the best cross ever been this two lines make.



The Flatted lines understanding:

When I say KS is flatted what this mean?

KS = (Highest High + Lowest Low)/2 for the last 17 period When it flatted this mean there is no new highs or lows And the same to understand flatted TS or Span A or Span B, and from this conclusion you can understand the mean of "Sword Sen".

B) Properties of Kumo Sen & Kumo Span:

Properties of any Kumo Generally:

As I tell you before as the price stay more at certain resistance in bullish trend this refer it is stronger resistance.

Keep this in mind when Kumo become wider trend it start to weaken specially Kumo span, and when the Kumo narrowing this refer to strong trend.

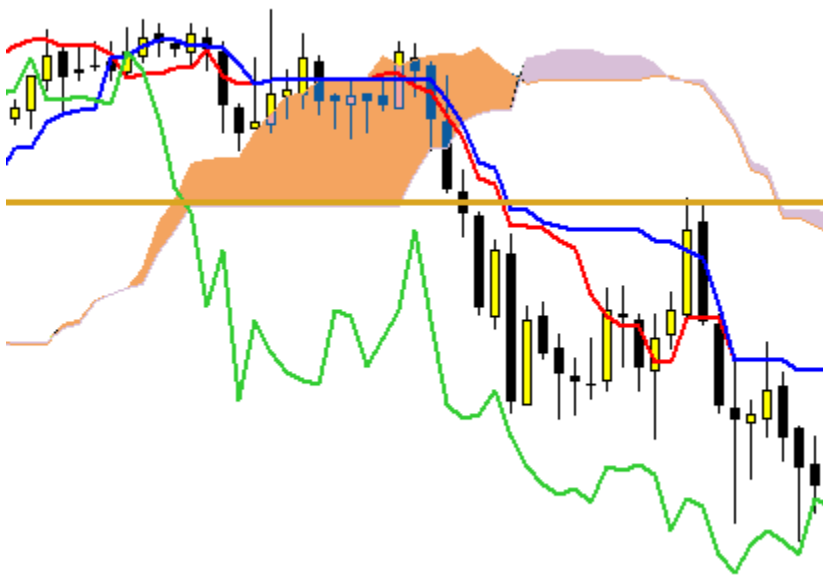
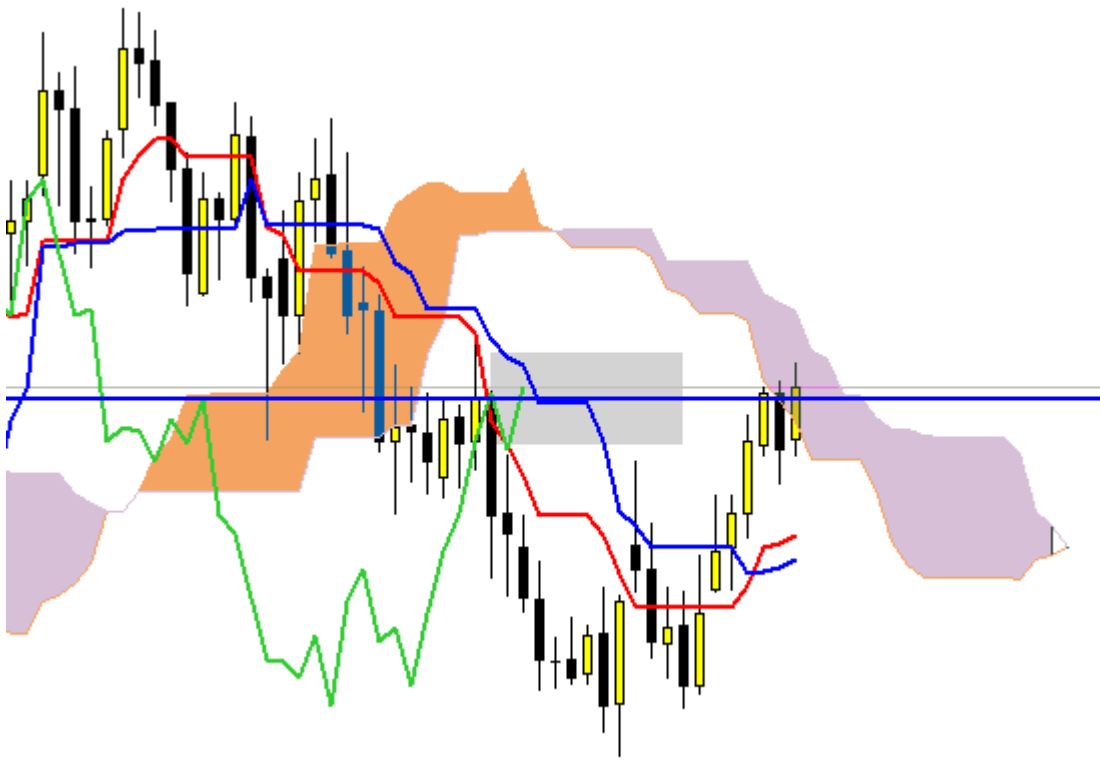
The Enlarging of Kumo whatever its type is another way to understand the conclusion of flatted KS or Span A or Span B lines.



Note: Remember when you see the trend is weak the Kumo is shifted 17 bar forward.

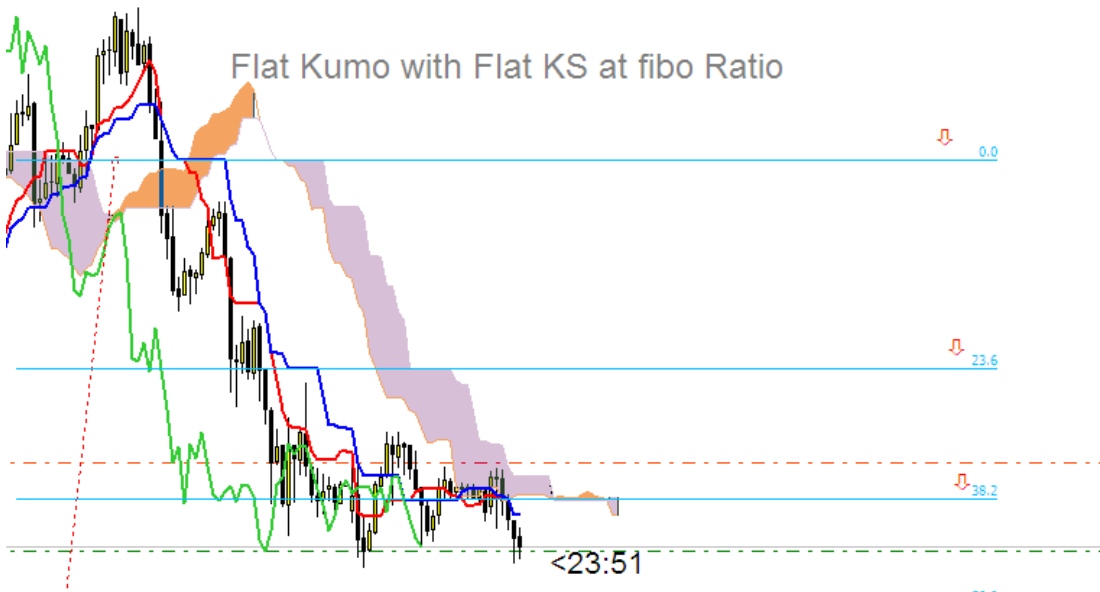
And now when I tell you the wider Kumo Sen or Kumo span is stronger support or resistance this mean it hold more and price stay more time at it.

And the flatted line especially KS & Span A & Span B is very important it act as resistance or support at the future at any time.



Egy

Also you can see Fibonacci Ratio with flatted lines of KS:



VIP I hope you understand the pervious paragraphs well this will help in next if you do not go back again please.

C) The Navigator key:

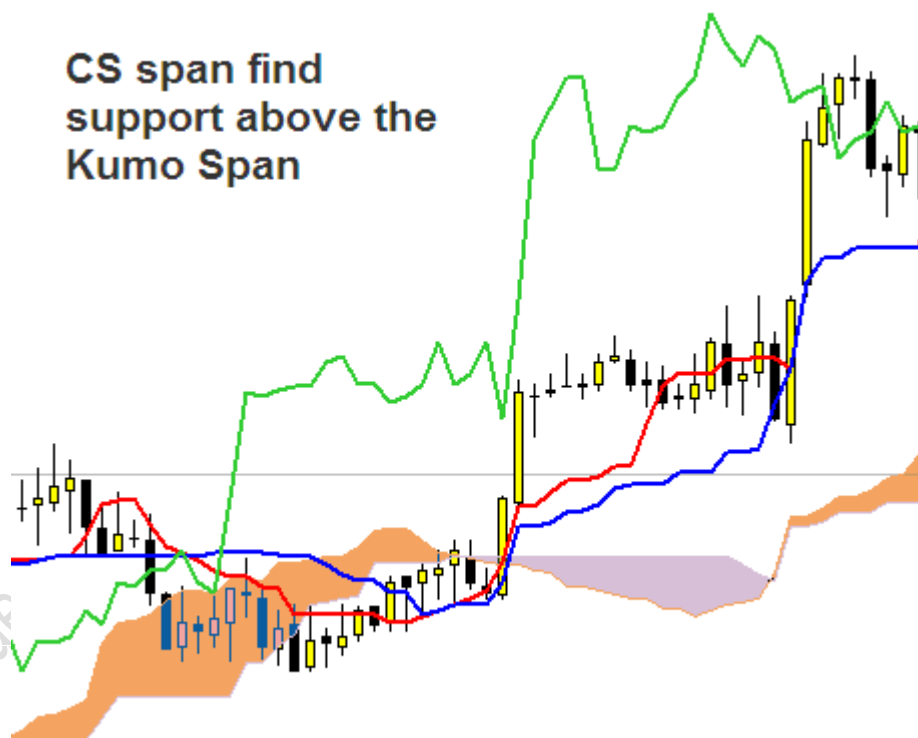
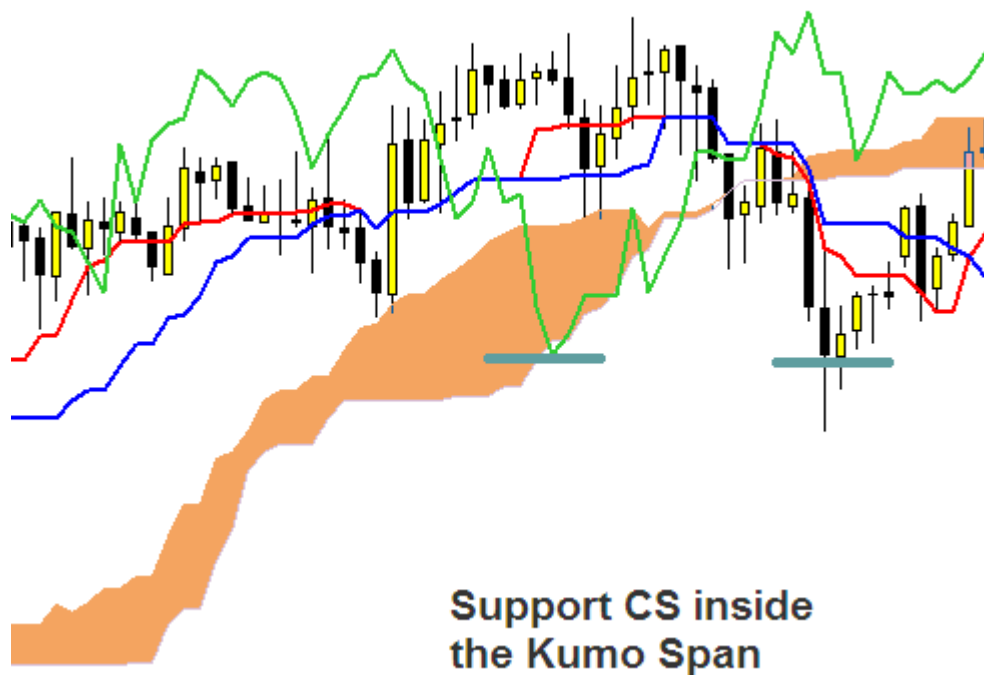
You can see the relations between the price and the Kumo span.

And also the relation between CS with Kumo Sen and Kumo Span.

The Kumos always act as support or resistance to the CS and price whatever price above or blew or inside it.

See the following example:

CS fined support inside Kumo:



In the same Photo above you will see how CS react with Kumo Span and also see the price reaction with Kumo span and the same for Kumo Sen.

Sometimes you can see at weekly and daily charts price trapped inside Kumo span and find resistance and support at span A and Span B.

CS search always for the thinner part in each Kumo to penetrate. The probability is higher to penetrate thinner areas more than wider areas. And maybe it penetrate thin area from first time always (90%) and maybe it did not break the wide Kumo from first time (80%) CS maybe first trapped in wide Kumo before it goes out the Kumo.

With help of CS it show a very good confirmation of the breakout which all of us search for to trade, the following method is more powerful than the classical breakout.

For example if CS span between the Kumo Sen and Kumo span we wait it until test one of them and see which one will be penetrated and we will keep in mind the higher probability to breakout the thinner area in the Kumo and it have before to penetrate Kumo Sen then penetrate the Kumo Span or vice versa, you will understand this if you read again after looking to the next picture.

See the positions in the chart 1,2,3 what tell us:

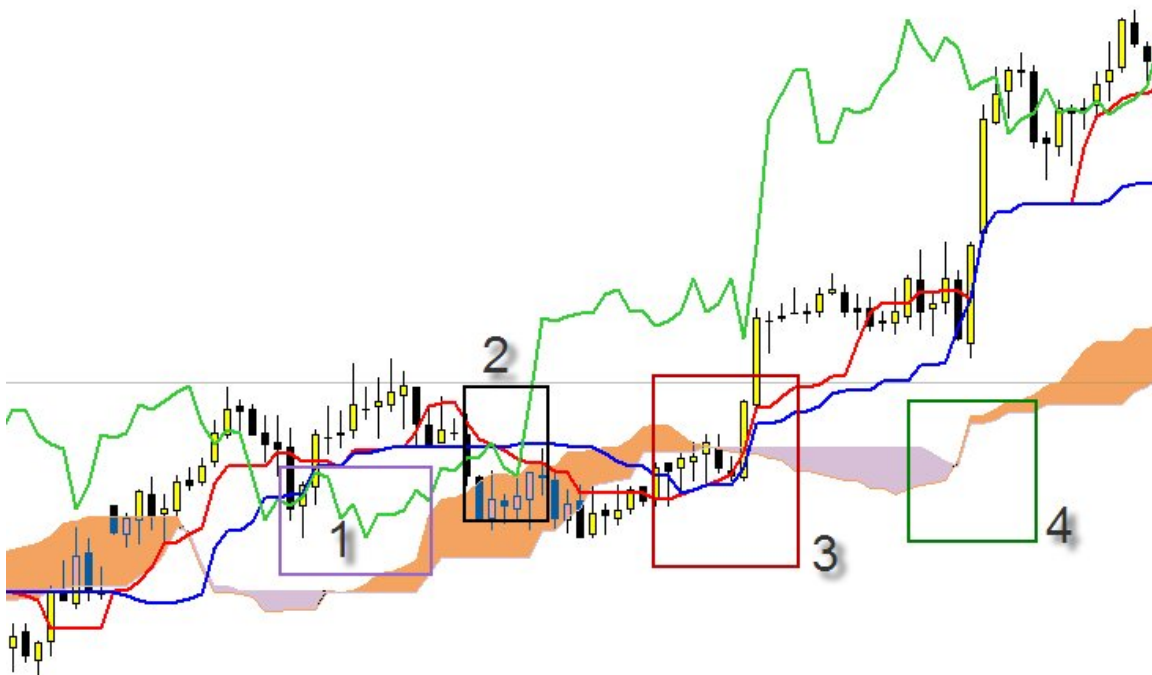
- 1) CS between the two Kumos so we wait to see if there is a breakout will happen.
- 2) CS find support at wide Kumo Span and penetrate a Kumo Sen from narrow area.
- 3) The TS & KS move almost as one line to break out the Kumo span.
- 4) CS , TS , KS , SA & SB move in one direction at same time.

ICHI MAGICAL PATTERN (Search for it and be patient)

BREAK OUT CONFIRMED

Are it is so simple like it look!?

Yes it is 😊



Important notes you have to collect before we look in other examples:

- The trend is stable when the Kumo Sen and Kumo span away from each other.

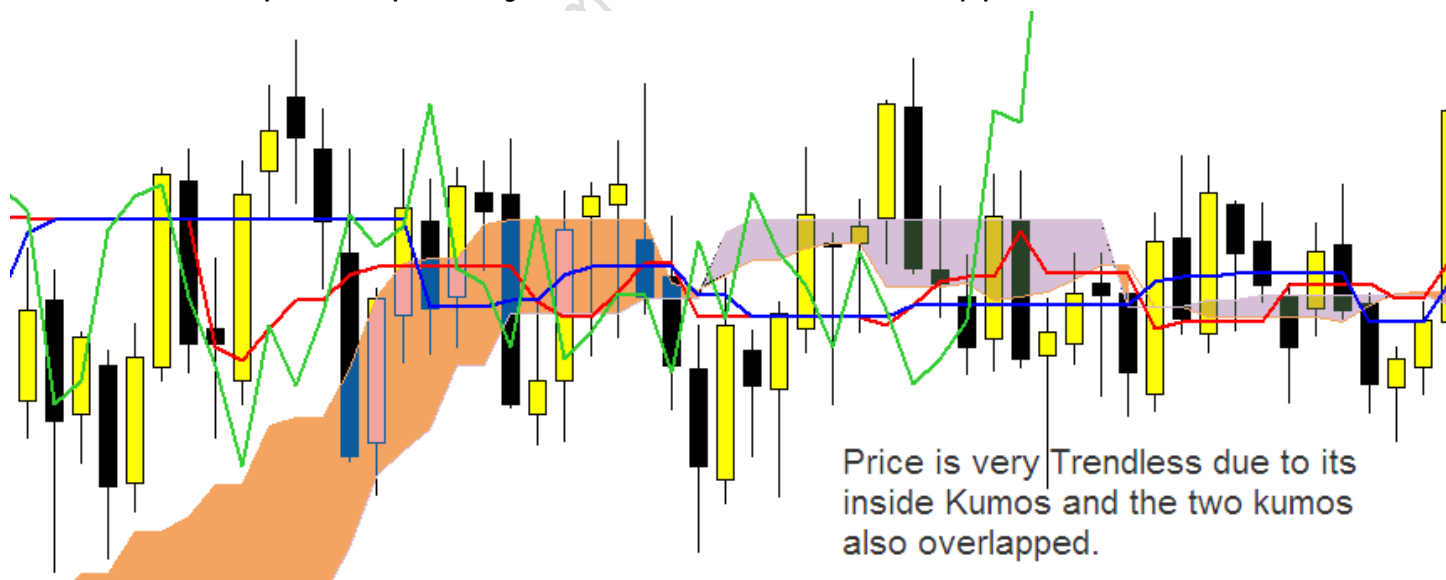
Kumo Sen and
Kumo Span Away
trend is strong



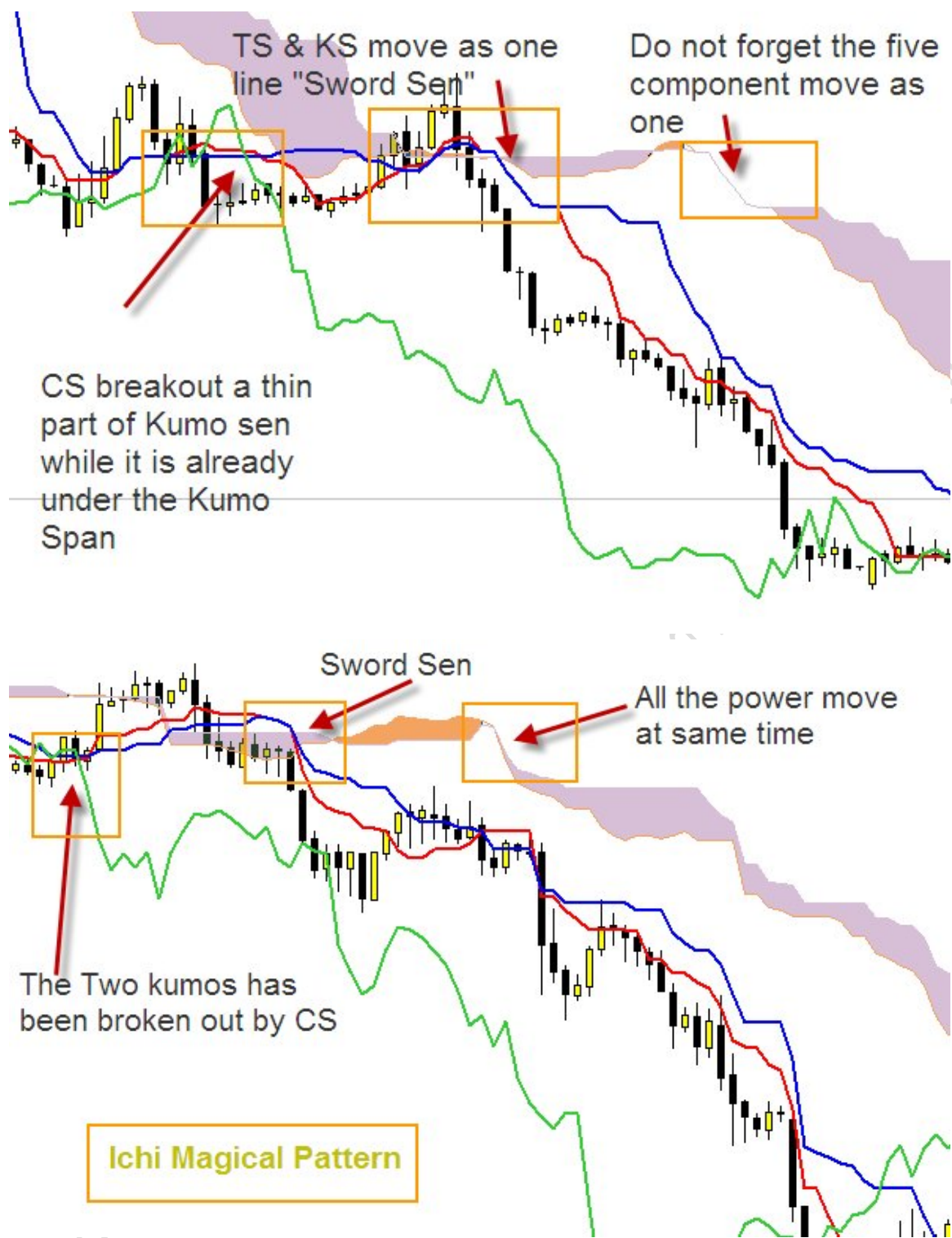
Kumo Sen near to Kumo Span trend is weak



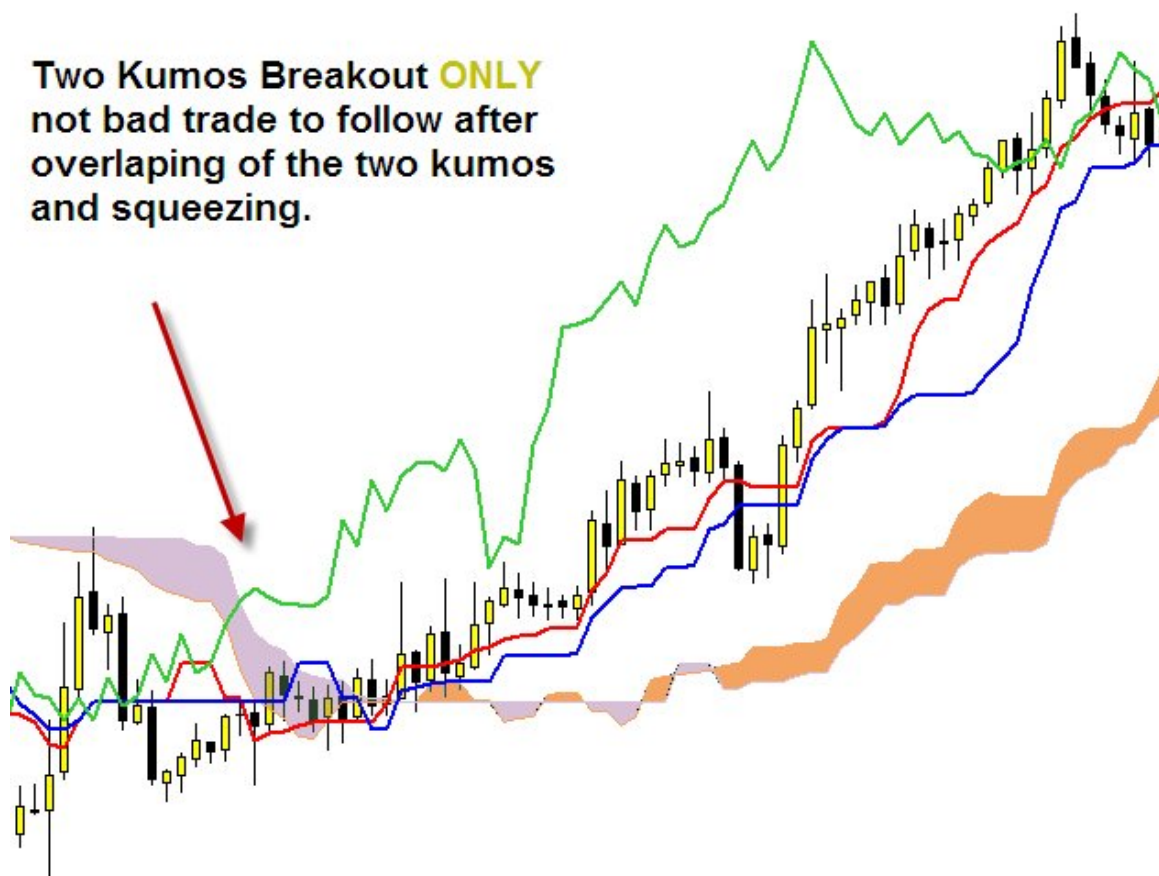
- The price is trendless whatever it was inside Kumo Sen and Kumo span (especially if the two Kumos overlapped).

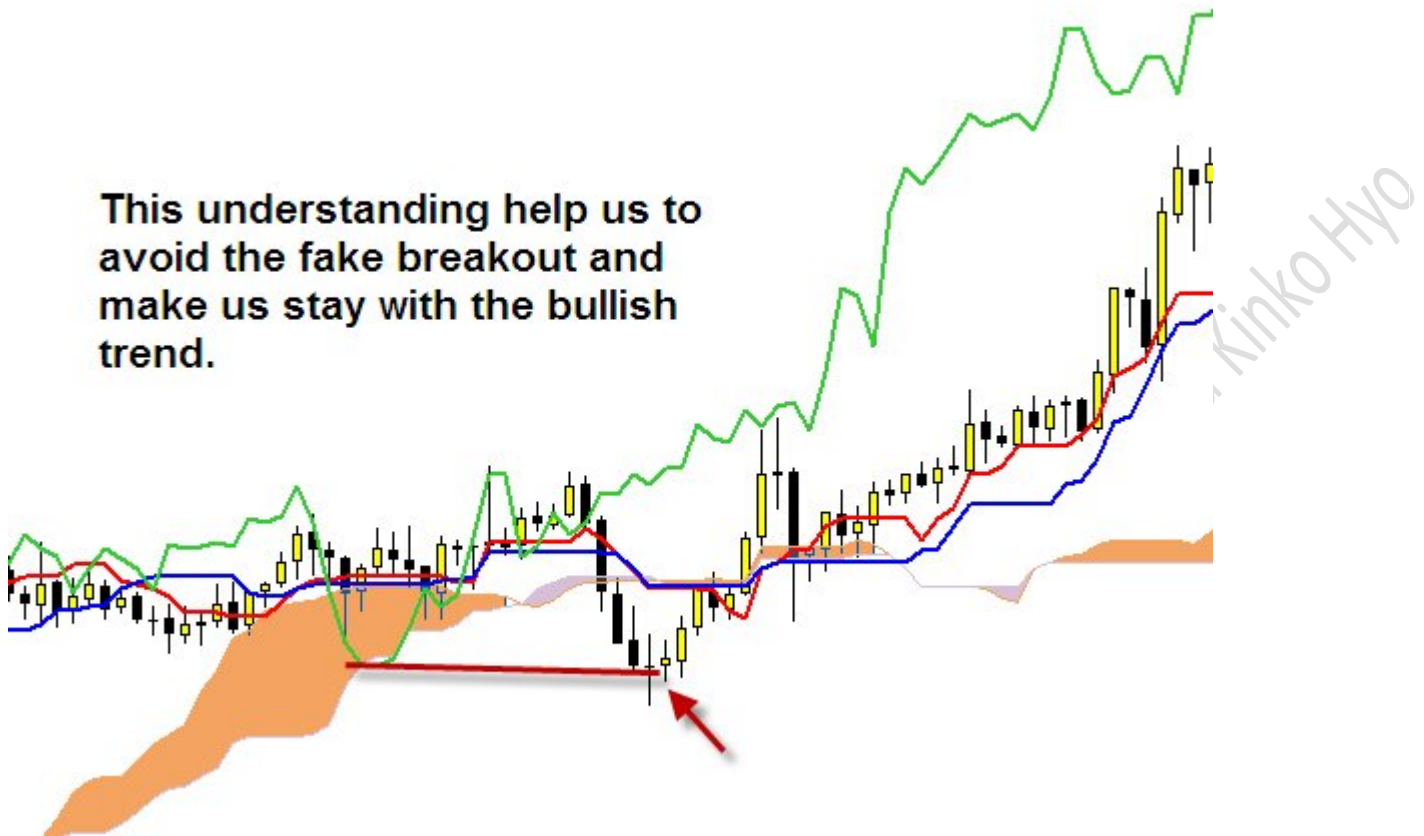


Other Examples:



Two Kumos Breakout ONLY
not bad trade to follow after
overlapping of the two kumos
and squeezing.





Now how we enter and exit from this strategy?

With more understanding you will can do it very simple, when you understand the higher probability scenario which is very important, you have to visualize and imagine the scenarios which CS cloud make with reaction with Kumo Sen and Kumo breakout.

Sometimes CS penetrates very wide Kumos and this refers to a strong trend over come a strong support and resistance.

The Entry & Stop Loss:

As more as you train your eyes and understand Ichimoku you will be able to trade with more safely and hunt early.

We can use CS to help in this:



If CS after the bearish breakout confirms that by break the last low under the two Kumos we will short (at break of the orange line) and our stop loss will be the last high above the Kumos (at the violet line) we will add just few pips above the candle shadow at the high or the low.

Some note will help you to select best entry:

- You can select a lower TF to see the breakout early when you think it might happen.
- Remember this rule: Wait the attraction after the action, if you did not hunt the breakout you can enter with any support the price find at the Kumo Sen or Kumo span.

Now you have to keep this in mind and check at every trade:

The Magical Pattern:

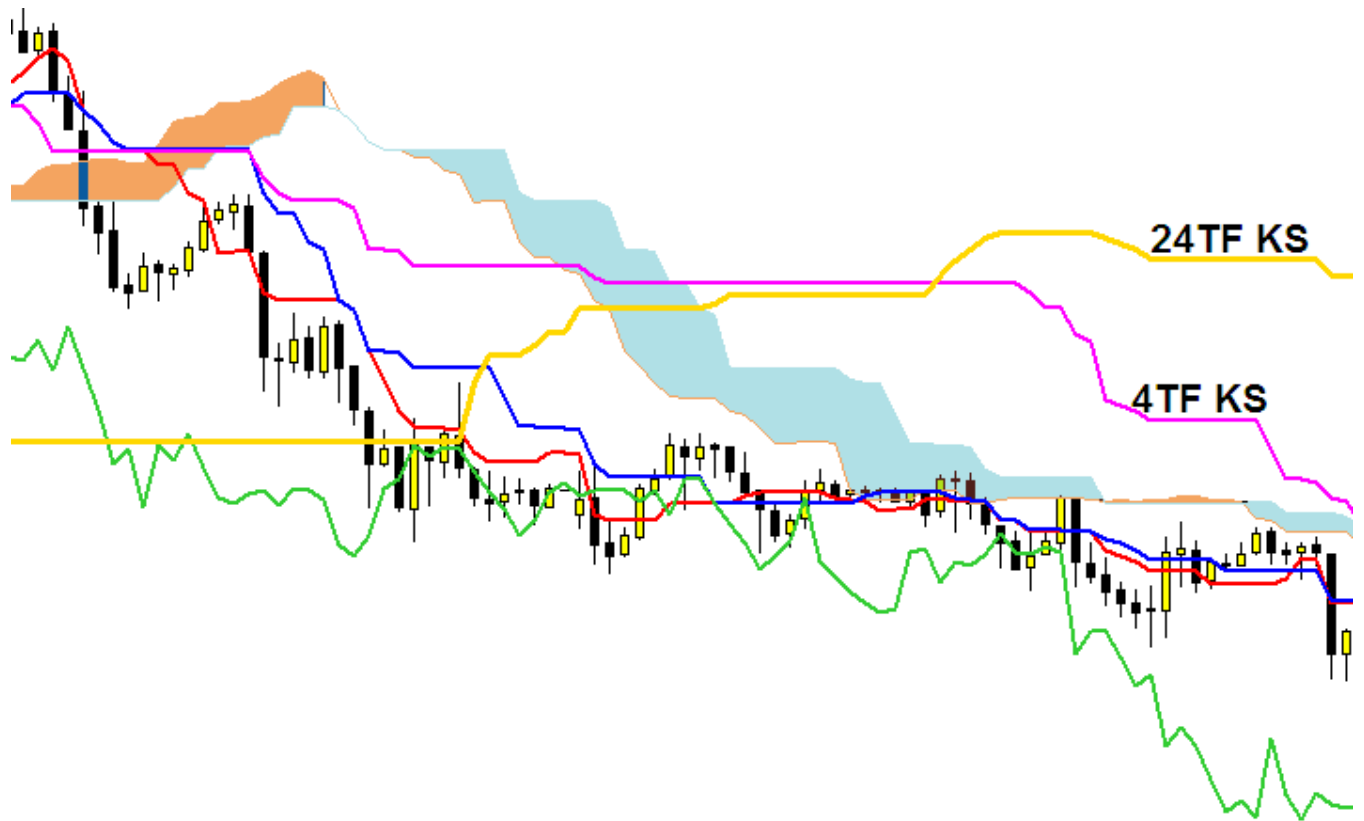
- I- The Rule (Double Kumo Breakout)
- II- The Action (Bullish or Bearish)
- III- The Confirmation
- IV- The Entry (Select Lower TF or break of high or low of CS before breakout or breakout the last flat Kumo before Sword Sen)
- V- The Attraction (the support which the price find with Kumo Sen or Kumo span in it way in bullish trend)
- VI- The Exit and Targeting (according to what you understand before you will be able to decide when trend is weaken and almost will reverse)

5 Lines Ichimoku System (Easy System to Trade)

I add some lines very good in Ichimoku; these lines filter the breakout more easily and make it very obvious.

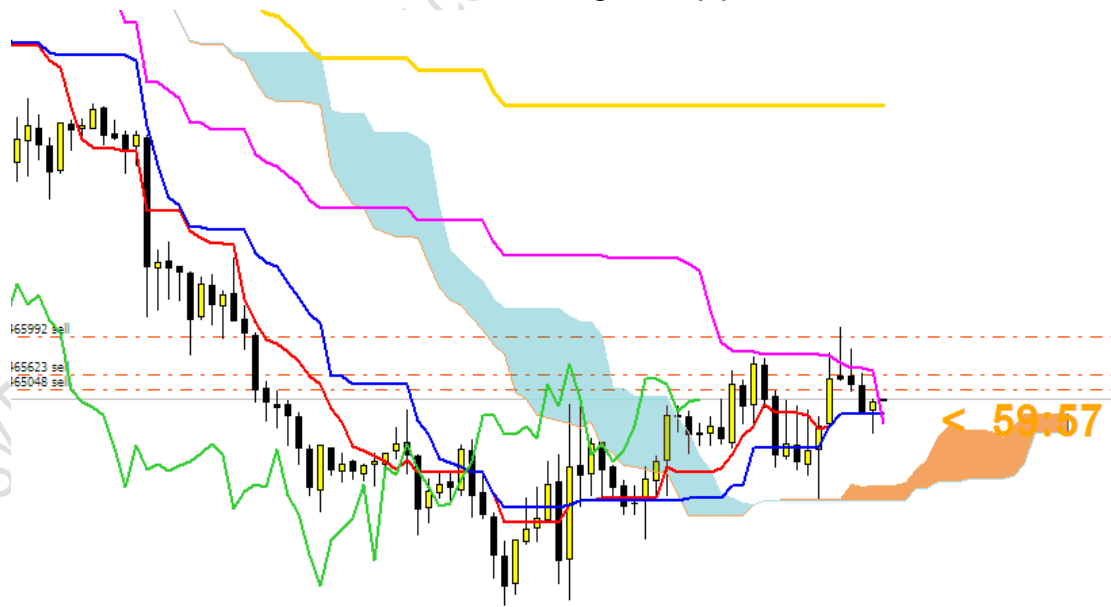
I add 4T KS and 24T KS, If you trade one 1H TF you will see the 4H KS and 1D

These lines will help you to filter the breakout and exit from it when it go against breakout. The Higher TF KS this will be very helpful especially in targeting.



It just an indicator draws these two lines and help you too much and it generate very strong pattern you can trade with it at any TF, and you will see how 4TF KS and 24TF KS help you in Entry and targeting.

The 4TF KS and 24TF KS are stronger support or resistance levels.



The best pattern we search for with this System is the “triple Sword”



And you can exit when the three lines just crossed again in next documents I will show better ways to exit or find resistance with 24TF KS.

Now you have your technical strategy just need financial strategy money management rules to follow,

Tell me what you think about and later I will continue another ways to improving Ichimoku Charting System (I do not improve Ichimoku I improve the way we read it better , I try to keep it more simple)

Download the Indicators and Templates:

http://rapidshare.com/files/340505255/5_Lines_Ichimoku_System.zip

At the End:

I hope all of you can see what you want to trade and be patient until you hunt
.....best wishes and enjoy trading and never trust the market but trust
your system.

Best Regards

Mohamed Abd ElRahman

EgyTrader – ForexFactory
