

**Forex Traders Association Meeting Summary**  
**May 18, 2004**

**Straddle Trading Method for the Forex**  
by  
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1. This is a trading method of straddling the daily price movement. Entry orders are set waiting for a break of the previous day high and low.
2. Use a 1-hour, 2-hour, 3-hour, or 4-hour chart.
3. Find the High and Low of the previous day.
  - a. High = highest high price
  - b. Low = lowest low price
  - c. The High will be used as Major Resistance.
  - d. The Low will be used as Major Support.
4. Find the Close of the previous day.
5. Find the Pivot point of the previous day.
  - a. The Pivot point is the numerical average of the High, Low, & Close.
  - b. The Pivot point is calculated by adding the High, Low, and Close prices and dividing by 3.
  - c. If the following day's price falls below the Pivot point, it may be then used as a near-term resistance.
  - d. If the following day's price rises above the Pivot point, it may act as a near-term support.
  - e. The Pivot point can be used as a Minor Support/Resistance line if the following day's price movement does not move below or above the previous day's Low or High price.
6. Calculate an Entry "buy order" price above the Resistance.
7. Calculate an Entry "sell order" price below the Support.
8. Buy and Sell Entry orders can be placed about 25 to 35 pips away from Major Resistance and Major Support.
9. Place both Entry orders. ***[Remember Entry orders, NOT market orders!]***
10. If desired, set a Stop Loss and Limit order on the Entry orders.
11. Consider the price movement in relation to 2 major moving averages:
  - a. 89-period moving average
  - b. 200-period moving average
12. Make adjustments as necessary depending on price movement in relation to these moving averages.
13. Avoid setting Stop Loss and Limit orders at Support and Resistance.
14. Avoid using "0" and "5" for Stop Loss and Limit orders (i.e., 1.1850, 1.2725).
15. Avoid being greedy on your Limit "Take Profit" orders.

**Disclaimer: These are my personal trading thoughts. I am neither a licensed professional nor an investment counselor. I do not make buy, sell, or hold recommendations. Listed above are steps I use for straddle trading daily high and low. Should you decide to trade following these steps and this strategy, you are trading at your own risk. Unique experiences and past performances do not guarantee future results! Trading spot Forex currencies involves substantial risk; and there is always the potential for loss. Your trading results may vary. No representation is being made that any trading method, strategy or software guarantees profits or not result in losses from trading.**