

The 60min Flow Method

There will no more be "Pure" and "Aggressive" as of now there will be one Method, -
-----**The 60min Flow Method**----- one Entry, one Exit, same rules for all, and what is left up to us as an individual decision is how to position size.

The Central Basis of this Method ----its core---- is the **identification of pivots**. Pivots work beautifully so long as they are there, but when we don't have pivots, we have to come up with something more than just pivots, we need to add a something more to the pivots, a few definite rules. Not having these rules make this method simple, but not as rewarding. Having these rules in addition makes it more rewarding, but a wee bit more complicated. Although we are simple folks, we are still traders and our job is to take advantage of a repeating pattern even if it makes the whole process slightly complex.

At its heart still lies the trader adamant to go with the **Flow of the Market**. At its heart still lies the trader that keeps "himself" out of the trade as much as possible and at its heart is still the trader that allows the Market to do all the hard job and put money into his pockets, with as minimum an effort from him as possible. **The 60min Flow is still about Art**, in that there are no changes.

The 60min Flow will keep with pivots as much as possible but other reversal signals as will be explained later that would make this decision to reverse much earlier than just waiting for pivots.

But first we need to go back to the very basic of basics before drawing up a Methodology around it. We need to answer the basic question:

What is a Pivot?

I really don't like defining pivots. It is not about 5 bars or 3 bars. It is not about major and minor, small or big. To get out of the maze of words solving which one lands only in a blur of what we are really looking for.

The Dictionary defines a pivot as a "**central point around which something turns**". And that's all there is to it.

These turning points are there all over the place in our charts, making definite lower pivot highs and lows. So that a break is enough for us to get long, Vice versa for getting short

The only criterion is that this point has to be visually obvious. It is a clear cut point. Not something that you need to see using microscopes, or magnifying glasses. Standing away from your computer, you must be able to make out your pivot.

The Art of Trail Stopping using Pivots, I thought is obvious. But I think one needs to repeat it. It has been discussed at great lengths in the "Teach a Man" thread, but just to remind those of us who may have forgotten.

1. An uptrend is made up of higher pivot lows and highs.
Important is the lows in an uptrend.
2. A downtrend is made up of lower pivot highs and lows.
The focus is on the highs in a downtrend.
3. In an uptrend, every time we make new highs, we bring our stops to the low of the recent pivot low.
EXCEPTION: Sometimes, in an uptrend, price makes a higher pivot low and does not go to new highs, and instead goes sideways for a period of time, or pulls back up and forms a clear cut lower high, but it must be visually obvious, and then falls through. Stops are therefore still at recent pivot lows although newer highs are not made. But in both instances, the rule and the exception, those points are very visually obvious.
4. In a downtrend, every time we make new lows, we bring our stops to the high of the recent pivot high.
EXCEPTION: Sometimes, in a downtrend, price makes a lower pivot high and does not go to new lows, and instead goes sideways for a period of time to make it visually obvious, and then breaks out. Stops are therefore at recent pivot highs although newer lows were not made. But in both instances, the rule and the exception, those points are very visually obvious.
5. In an uptrend, we trail stop upwards using pivots. Our job is not to catch some tiny little pivot and reverse. The pivots have to be visually obvious. So too in a downtrend

Just pivots alone are not enough, therefore the need to bring in other strategies to help when pivots don't work. We must realize the great potential for great profits using pivots, we must also know its shortcomings and where it fails so that we can put a few things together that will help us in most scenarios.

Most of you see these points clearly already. But keep in mind the visually obvious part. Don't micro-analyze.

Let us get down to it.

ENTRY: Think everyone knows this already.

A few things: This is a methodology that involves you to stop and reverse. Your exit on a position is therefore your entry in the opposite direction. Your reversal points are therefore crucial, which is why it has to be done at the appropriate points. We will talk about this down this post.

EXIT: Once again, no taking profits. This is enter-add-exit-and-reverse method. No profits off the table. What you as an individual would like to do is out of the confines of this discussion. Every exit is therefore your entry point in the next trade and should therefore be that appropriate point.

PROFITS: None.

ADDS: Initial Position+3 ADDS in NF, Initial Posns + 5 ADDS in ABAN,IP+2ADDS in HDIL,JPA.,IP + 3 ADDS in RELCAP,L&T.....All ADDS are Rs7 above that reference point, be it a pivot or a reversal signal, etc.

Where are the ADD points? Pivot points, in a WRB breakdown --- below the breakdown bar.

Sr. No	SCRIP	ADDS	Points
1	Nifty Future	3	7
2	ABAN	5	
3	HDIL	2	
4	JPA	2	
5	RELCAP	3	
6	LT	2	
7			
8			
9			
10			

REVERSAL POINTS:-

A. VISUALLY OBVIOUS PIVOTS:-

Let us talk shorts, as the case is always to talk in terms of longs.

Lower Pivot Highs and Lows, visible ones, visually obvious ones...

Every breakdown to new lows is an opportunity to bring stops down to the latest pivot high. Keep doing this till a previous pivot high is broken. A break of that pivot high and we exit all positions - initial +3adds - and enter initial positions long. Very simple.

There are a few amongst us who would say that pivot identification is difficult. It's as simple as it looks. Just focus on 2 things: A. Visual, B. New lows, then move stops (in most cases). REVERSAL is 15 points below the previous pivot low

B. 2 BAR METHOD:- In a vertical move, where there are no pivots, move stops to the high of 2 bars back in a down move. Move stops to the low of 2 bars back in an up move. REVERSAL is Rs20 below/above 2 bars back.

C. VISUAL GAPS: A visual gap is simply a gap that can be seen visually.

i. **Scenario 1:** You are holding short positions in NF and market gaps down visually. Not 0.5%, not 1%, not 5% and all that, visually. Reverse to longs- initial position - on the break of the 1st 5min bar. I hope you understand, no waiting for 3 days and 4 days. Visual gap down in the direction of your short positions. Go long Rs20 above the first bar. Nothing to be done if prices keep plummeting in the direction of trade.

ii. **Scenario 2:** You are holding short positions and market gaps up visually on your 60min charts. Wait for the first bar to close(5mins), long above that bar by Rs20, stops below that bar by Rs20 in case reversal back to shorts happen on the same day. Nothing to be done if longs don't trigger and price falls from there.

iii. **Scenario 3:** You are holding longs and market gaps up visually. Reversal below the first 5min bar's low with stops at 5min bar's high. If lows trigger by Rs20, exit longs and enter short. Nothing to be done if price gaps up and keeps shooting up.

iv. **Scenario 4:** You are holding long positions and market gaps down visually. Wait for that 5min bar to close. Short below that bar by Rs20 with stops Rs20 above incase market reverts to longs the same day.

There is no more analysis of whether gap is below the stop or not. Every visual gap the direction of the move which is against the direction of the trade calls for a reversal.

The Rs20 level in case of visual gaps is a **moving filter**, which we have been using in the Intraday Mini Flow. NF gaps up to H 3500 L3466, the next hourly candle has to hit 3520 for us to reverse to longs. If it reaches 3515, our new entry price is 3535.

There is no moving filter in case of pivot reversals and 2bar method reversals.

TIMEFRAME: Only 60min Charts. No referring to 30min charts and choosing certain pivots and not others. Allowing the "I" to come into play is dangerous, our job as traders is to set everything in motion and keep the thinking analytical mind out of the picture. 60min is good enough for what we want to achieve.

CANDLESTICK PATTERN, TECHNICAL PATTERNS, SUPPORTS/RESISTANCE:- None required or going to be utilized.

ADVICE: More active intervention is required especially on gap days. But other than the right amount of action, no more than that is required. Don't go around over scrutinizing, over analyzing. Once the processes are looked into, your job is to stay out of the way between yourself and the trade. Your job is to get the direction right and allow the Market to do all the hard work and put money in your pockets while you sip your coffee and laze around.

All the best!

Saint

So, here on, no two variations catering to two types of personalities, in this thread, there is only the 60min Flow Method. It is now more pro-active and needs more concentration, although more action than is necessary is not required. Reversals may come in every day or every other day, or maybe that very day. Trail stops are more actively pushed up either with pivots or the 2 bar method. Visual gaps have to be reacted upon immediately.

This thread is in its next evolutionary phase and the 60min Flow Trader has just stepped up a gear!

Saint

