



Just another bit of money management. When the market is running in a consolidation period for some time one of the golden rules when you want to enter you must look at is how many pips are positive at that moment of the consolidation. If you weren't part of the consolidation and did not make any profit during its course you must be very aware of the breakout that is coming. Just before the breakout occurs the MACD might give a signal like the one we had just now(05/02/2007) on the EusUsd that might turn out a down breakout. Then you must have pips in hand you took from the consolidation. We all agreed that a move might be on the cards. If you aren't any pips positive after a consolidation phase of two weeks and more you must rather wait for the MACD to give a signal either after the breakout or if it gives a signal around the middle of the consolidation. It is only to be safe as to the emotion of the market. If the emotion is tense it always is around support and resistance especially after some consolidation.