

Forex Market Movement behavior (I)



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Dear Forex Traders

Here I would like to writing about the Forex market behavior.

In fact we wants know that when the market is wild or when the market is cold!

What do I mean by wild Forex market?

Wild Forex market means that we have a trend in the market some time you can't see a good trend but the market show you very fast and huge movement in other hand the market ticks are a lot.

What do I mean by cold Forex market?

Cold Forex market means that the markets don't show you a bullish or bearish trend clearly and the Forex market movement is very low and little some time you can see the good trend but it's go up or down very slowly step by step.

The most important question is how we can understand that the Forex market is cold now or wild now!?

To understand what I mean clearly just check the below pictures, I highlight the wild and cold forex market on GBPUSD GOLD EURUSD and USDJPY.

You can view cold or wild market in all time frames but my favorite time frame is M5 because I like short time trades more than long term.



As you can see on USDJPY we had about 10 hours cold market and after that we had wild market with a bearish trend.



EURUSD had different bearish and bullish action during about 9 hours and after that it show little very slow up trend.



GBPUSD went down then it goes up very fast! From about 11:00 to 21:30 we had wild market.



On GOLD you can see cold market but with very nice down trend

Well I think you understand cold and wild market.

Now how we can understand that is the Forex market cold or wild?!

Did you remember the Forex alligator indicators?

When the alligator is sleep! The market is cold when the alligator want's to eat the market is wild!

But alligator indicators like all other indicators have delayed it can't give you right view now I want show you the simple way to understand the market condition.

1- Check the Forex economic calendar to be sure that there is important Forex news for today or not.

2- Check the Forex market volume.

3- Look at the price movement in M1 time frame and check the market ticks. Sometime market goes up 10 pip by 10 ticks and sometime market will go up 10 pips by 40 ticks! It means that the market is wild now!! Or the market wants to be wild

4- Check the time cycle period the market can't sleep a lot of time or can't be wild a lot of time!

5- Try to understand and analyze the market movement times (see time trading strategy article)

On pictures I can't show you the market ticks the market ticks are very important factor to understand the Forex market condition but how we can earn profit in cold or wild market?

When you understand the market condition you can find very good strategy to earn profit here I want teach you one of them you can find more just try to understand the market condition.

Forex Market Movement behavior Strategy:

Wait for the wild market condition without any trend!

Set the buy stop and sell stop orders on the minimum and maximum prices on the wild market period zone!

When the market is wild and there is not a clear trend you can be sure that we will have new trend very soon so what is the best time to enter the position?

When market is wild and go up then go down the maximum price means that buyer try to move market up and they were successful till that price and when the market go down the minimum price means that seller was successful on that period now who will be the winner?

The group (seller or buyer) who touch their record again will be winner!
Just look at the examples to understand it:





When you understand the wild or cold you can find a lot of profitable strategy to earn profit.

Have a nice trade.

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