

# TRADEOLOGY



# SYSTEM

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# Introduction

Welcome to the 80/20 System.

This is a robust system built on Stochastic Oscillator, MACD Indicator, and two Exponential Moving Averages to ensure precise entries and the maximum profits possible. With this system you will also get a template that comes with an autoinstaller, making it easy and painless to install.

Yes, it's called the 80/20 system because of the way it uses the moving averages and the stochastic oscillator, but it also is very helpful when it comes to finding accurate trend trading entries.

**You could say it finds you 80% more profitable trades in only 20% of the time.**

Which saves you time and could make you a lot more money, if you follow the very simple rules we have laid out here.

It is a very versatile system and can be used on all time frames, so whether you're a scalper or a long-term trader, the 80/20 system could help you find more accurate entries and more profitable trades, in less time.

It's quite simple to use and has solid trade management that will ensure risk reduction while it maxes out your profits, so you make more and keep more of it, which is the end goal, right?

To have more money in your account at the end of each trading session.

Because when it comes down to it, making consistent conservative profits every day, and keeping at it, is how you go from broke to profitable and from wherever you are right now to successful.

So we hope you have fun with it and of course that it helps you make more money!

*Tradeology Team*

# Swing Highs and Swing Lows

Before we get into the rules of the system, let's start by identifying what we mean by 'Swing Highs' and 'Swing Lows,' which we will need to identify in order to set our targets properly.

Basically, what we call a swing point is a point at which price reverses and moves in the opposite direction from the price's original direction.

## Swing High

A swing high is formed when the high of the price at a particular point is greater than the high of the candle to the left and the candle to the right of it.

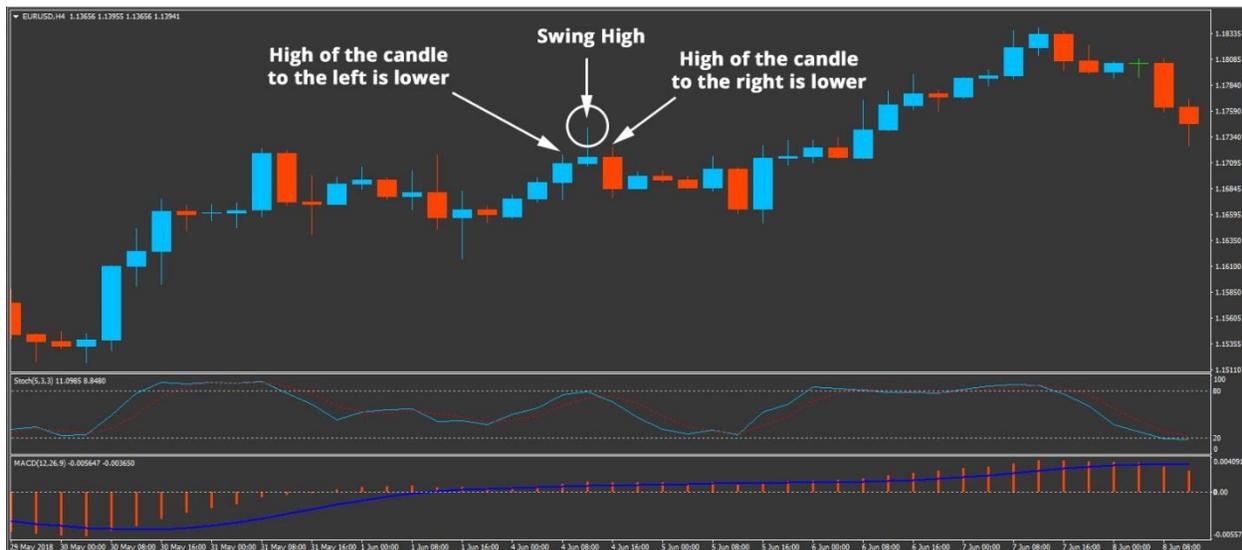


Image 1: Swing High

## Swing Low

A swing low is formed when the low of a price at a particular point is lower than the low of the candle to the left and the candle to the right of it.

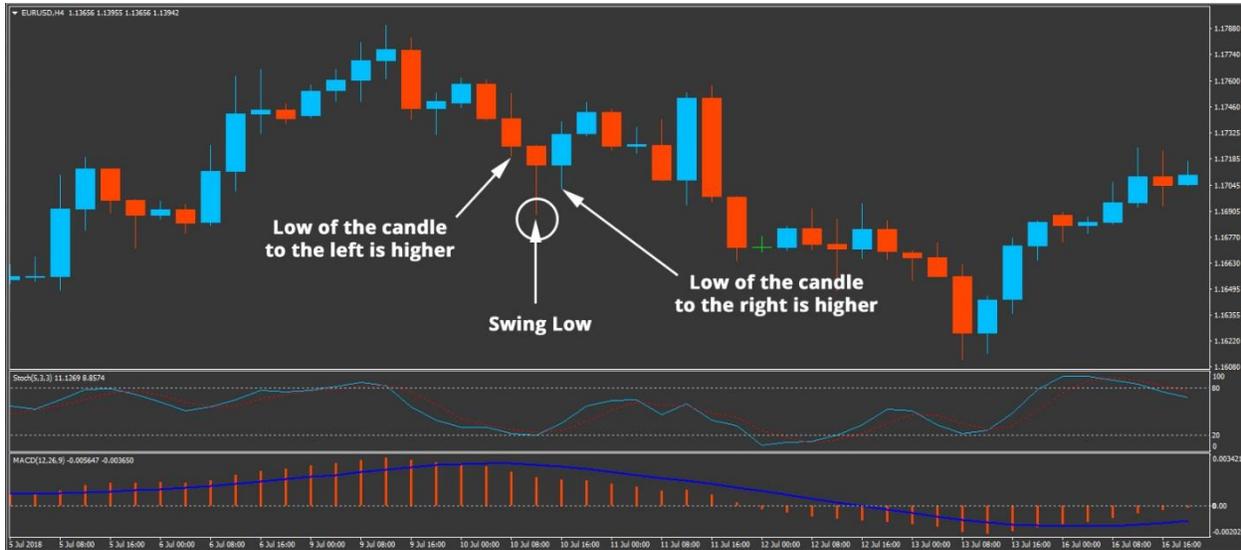


Image 2: Swing Low

Let's take a look at a few examples of swing highs and swing lows on the chart:

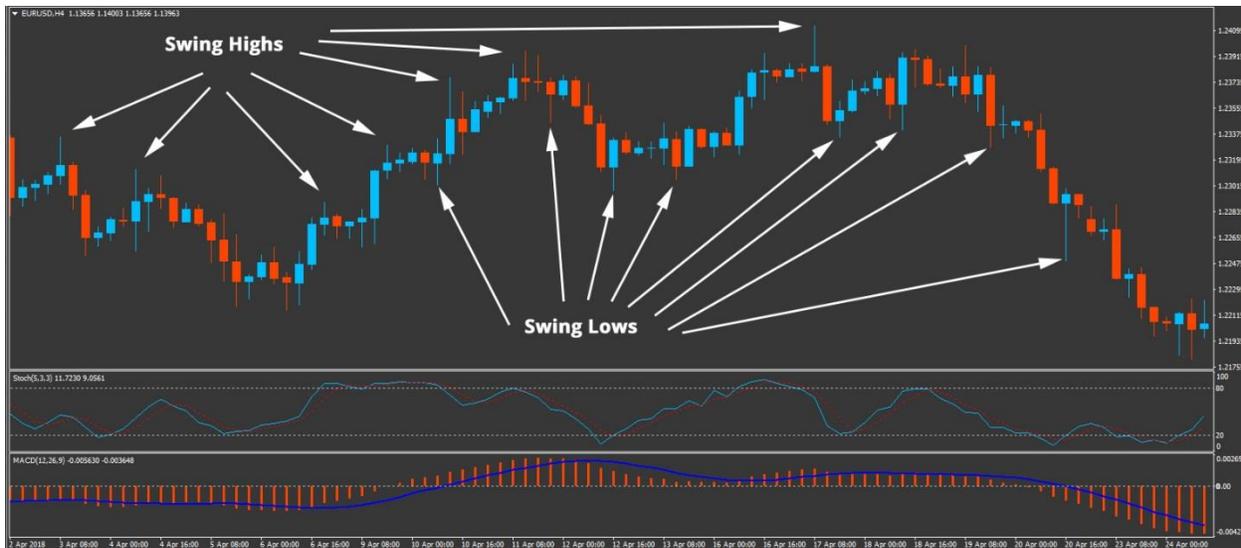


Image 3: Swing Highs and Swing Lows

Now, let's have a look at the rules we need to use so we trade the system effectively.

## BUY (LONG) Trade Rules

1. Price has to be **above the Orange EMA**
2. Stochastic Oscillator's **Blue line** has to be **above 20**
3. MACD Histogram has to be **above the 0 level**
4. **Enter** the trade when **price closes above the White EMA**
5. **Stop Loss** set a few pips below the most recent swing low
6. **Exit** the trade as soon as the first swing high has formed



Image 4: Buy (Long) Rules

# SELL (SHORT) Trade Rules

1. Price has to be **below the Orange EMA**
2. Stochastic Oscillator's **Blue line** has to be **below 80**
3. MACD Histogram has to be **below 0 level**
4. **Enter** the trade when **price closes below White EMA**
5. **Stop Loss** goes few pips above last swing high
6. **Exit** the trade as soon as the first low high forms



Image 5: Sell (Short) Rules

# Trade Management

In order to extract even more pips with this system, **you could add a second target and incorporate some effective and profitable trade management.**

The **first target**, as per the rules, is set **after the first swing point** forms.

Your **second target will be the next swing point.**

To manage the trade, you should do the following:

1. When the price reaches your first target (first swing point), close half of your position.
2. Move the Stop Loss to break-even point (your entry level)
3. At this point you've banked some pips which are safely stored in your account. If the price reaches the second target, you'll bank some more. In the event that price reverses and takes you out of a trade (by hitting your Stop Loss), you will not lose any money, since the Stop Loss is moved to your break-even point (the level of your entry), so you're in a very good position.



## Conclusion

This is a relatively simple to use and easy to understand system, which could be very profitable for you when used according to the rules and with these few advanced trade management principles.

We hope you enjoy it as much as we do and look forward to bringing you more effective and affordable trading tools that work!

Sincerely,

*Tradeology Team*

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