

Advanced trading strategy using the 100-day moving average

Written by James Thomas

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There are many different kinds of trading strategy in the world and it tends to vary from traders to traders. For instance, if you look at the scalper then you will see that most of them are using an aggressive trading strategy whereas the long term trader will use a lot more conservative method in their trading. Though trading system varies from traders to traders but all of them trade the market with a single objective and that is to make money out of trading. The 100-day daily moving average is very much popular among the professional traders in Singapore since it provides them excellent dynamic support and resistance level in the market. In this article, we will discuss how to use the 100-day moving average and execute profitable trades in the market.

Identify the long-term trend

There is an old saying in the forex market that the trend is your friend. If you look at experts in the forex trading industry then you will notice that all of them are trading with the most reputed brokers like Saxo in favor of the long-term trend. Unlike the professional traders, the novice traders tend to trade the market without knowing the existing trend of the market. The simple 100-day daily moving average will help you to identify the long-term prevailing trend in the market in a simple way. If the price of a certain assets trades below the 100 days SMA then you will consider it as a bearish trend and if trades above the 100 SMA then you consider it as a bullish trade. Once the long-term prevailing trend is identified in the market you will look for trading opportunity in favor of the trend.

The use of H4 time frame

The H4 time frame is very crucial since it will allow us to spot the possible trade setup in the [forex trading](#) industry. Most of the professional price action trader's use the 100 periods of the moving average to find the dynamic support and resistance level of the market. Once you find the long term prevailing trend in the market by using the daily time frame try to trade spot possible trading opportunity in the h4 time frame. For instance, if the daily time frame exhibit bullish trend then the expert set pending long orders in the dynamic support level of 100 periods SMA in the H4 time frame. Though the system is a little bit aggressive but most of the time the market respects the dynamic support and resistance level in the market.

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Advance trade setup

Those who want to use the conservative method should go for the price action trading strategy. Price action trading strategy is very much profitable and if you can truly master it then you can easily secure high-quality trades in the market. The expert price action traders use the price action confirmations signal in the dynamic support and resistance level of the 100 days SMA and execute their orders with précised stop loss. It's true that learning the art of price action trading strategy will be a little bit difficult for you at the initial stage but if you trade with patience then you can easily master it. Trading the 100 days SMA by using price action confirmation signal is so much profitable that some novice traders ignores the risk management factors. But as a full-time trader, you must know that there is nothing certain in the forex market. So when you trade the live assets make sure that you follow proper risk management factors in every single trade.