

3 EMA PIVOT-FIBO TRADING SYSTEM

The main components of the “3 EMA PIVOT-FIBO” System are 3 Exponential Moving Averages of Three, Thirteen and Thirty Periods. These three indicators serve as trend identifying and ENTRY signals, which will be explained shortly. The good thing about this system is that it works with almost any time frame, and I recommend it to all categories of Day Traders, especially those who have been losing money consistently with any systems at all they’d been using . This system works nonetheless, ONLY for those who do not trade emotionally but logically and obey all the system’s RULES. As I have mentioned before, the system shows you how and when to ENTER a trade or trades, and when to EXIT. That’s what makes it a COMPLETE System. Before we go on, let me quickly let you know that good Equity Management is very critical to any trader’s success in trading. The system also helps you determine your equity management strategy, and it also uses the pivot points and Fibonacci trading systems to allow traders work out probabilities of good trades even before entry especially at support and resistance levels also known as pivot levels and retracements.

May I make bold to say that new or novice traders just starting out in their trading experience can also use this system confidently following the system rules for profitable trades’ execution.

In a nut shell, having this system with you is like having a gold mine and yours is to go out and start gathering to fulfill your legitimate desire. Nevertheless, proper equity management has to be applied with all trades to be among the top 5% successful traders.

SYSTEM INDICATORS:

TREND & ENTRY INDICATORS: EMA (3), (13), (30), BOLLINGER BANDS & ADX
EXIT INDICATORS : BOLLINGER BANDS (20), RELATIVE STRENGTH INDEX (RSI) & AVERAGE DIRECTIONAL MOVEMENT INDEX.

TIME FRAME:

Any of 5 Min, 15 Min or 30 Min (though I prefer 5 and 15 Minute time frames)

You may as well plot your pivot points before inserting the indicators.

STOP LOSS ORDER:

10 to 30 pips (depending on your account size-1-2% of standard & 2-3% of mini accounts. If you can get 1% on all trades, best!)

TAKE PROFIT ORDER:

20 to 40 pips on average (sometimes it could be more). However, start with small targets of 10-20 pips per trade as a beginner trader.

CURRENCY PAIRS:

EUR/USD, USD/JPY

My reason for choosing these pairs to trade the system is simply a result of their less volatile but liquid nature. So, I highly recommend these pairs to newbie traders as they can to a great extent be protected from highly volatile moments. Having improved their trading skills, new traders may actually go ahead and start trading the GBP/USD pair and then enjoy the good its liquidity and volatility can provide. First seek to protect yourself from loss before seeking for the profits.

I have included below some notes on currency characteristics by Mary Cheng, which perhaps would help you appreciate my point and reason.

DIVERSIFICATION

To take advantage of whole market opportunities, and generate more signals, you may practice trading a few more currency pairs. Good equity management is still crucial in any case; do not risk more than 2% of your core equity per trade.

MARKET SESSION:

London-Japanese Inter-section, London-New York joint sessions

SYSTEM RULES

1. Never trade this system in a sideways market, otherwise known as trend less market
2. Always calculate your risk-reward ratio before taking any trade
3. Your risk-reward ratio should be at least 1:1.5 to a maximum of 1:3 or more

4. Always watch the Bollinger bands and the RSI indicators to confirm when reversal might be imminent
5. Do not trade on reversal with this system with a pip target of more than 10 (and be sure to monitor your trades)
6. Only enter trades with no more than 50% of your account.
7. Do not risk more than 3% for a standard account or 5% for a mini account, of your account in one single trade.
8. Always follow your trading plan.
9. Do not trade with more than 5 lots at a time with this system.
(Although this depends on the size of your account. Possibly trade less number of lots)
10. When the EMA (3) crosses the EMA (13) below the EMA (30) in an up trend, do not enter yet until both have crossed the EMA (30), or make sure the distance from the crossing point to the EMA (30) is less than 3 pips. And vice versa for a downtrend.
11. For determining Support/Resistance, any of Pivot Points or Fibonacci Retracements and Extension could be substituted for the other.

THE TREND

- ADX signal must be above 25, then a Bollinger Bounce must be in place from a squeeze, price must be away from the Exponential Moving Averages (EMA).
- There is an up trend when price is above the Moving averages, +DI crossed –DI bottom – up, price is moving towards the upper Bollinger Bounce
- And vice versa for down trends.

ENTRY RULES/CRITERIA: Long Trades

- Price must be above all three EMAs
- EMA (3) crosses EMA (13) Bottom-Up above the EMA (30)

See Sample below



**EMA (3) crosses
EMA (13) Bottom-
UP above EMA
(30): Buy Signal is
generated!**

In the chart above, the blue Exponential Moving Average is a 30 period, the orange color is a 13 period, while the pink color is a 3 period EMA. The price at the point of the bottom-up crossing was 121.12.

Note: If the crossing takes place while the EMA (3) and (13) are still below the EMA (30), I take the trade with extreme caution as that may only be a fake signal. You reverse it for a downtrend and you won't be wrong. It could also be a reversal for sideways market.

EXIT SIGNAL:

Indicators: Bollinger Bands and Relative Strength Index (RSI)

Using the same chart above:



SUPPORT

CENTRAL PIVO/RESISTANCE

Price hit the upper Bollinger Band and reverses at 5: 15 and at the same time, the RSI crossed 70 and reverses: Exit the trade

Using the Bolling er Bands and the RSI (14) as exit ind icators is very simple to apply.
The RSI rule states that in an uptrend, if price crosses 70 and reverses, it is an indication of overbought condition, and in a downtrend, if price crosses 30 and reverses; it is an indication of oversold condition. When

overbought/oversold conditions are noticed, it is a warning to close all open positions or prepare to follow a new trend.

Using the Bollinger Bands as exit indicator, we like to work with the Bollinger Bounce or expansion. When price hits the upper band in an uptrend and reverses, it is a warning that the end of the trend is imminent, you only need to confirm it with the RSI (check if RSI has crossed 70 and reversed). If that be the case, waste no time; close all open positions. The same scenario applies to a downtrend in the reverse.

SUMMARY:

ENTRY RULES:

- **If price is above the Exponential Moving Average, prepare to go long**
- **When the EMA (3) crosses the EMA (13) from bottom-up, and the two of them are above the EMA (30), a buy signal is generated, enter long**
- **If price is below the Moving Averages, prepare for short trades**
- **When the EMA (3) crosses the EMA (13) from up-down, and both are below the EMA (30), a sell signal is generated.**

Note: If the crossing takes place before the EMA (3) and (13) crossed the EMA (30), beware! It may just be a fake signal. (Read the system RULES above again).

EXIT RULES:

- **In an uptrend, if the RSI (14) has crossed 70 and reverses, and price has hit the upper Bollinger band and reverses, exit all long positions**
- **In a downtrend, if RSI (14) has fallen below 30 and reverses, and price has hit the lower Bollinger band and reverses, exit all short positions.**

EQUITY MANAGEMENT

There is no overemphasizing the utmost importance of proper equity management in all your trades to achieve a commendable level of profitability. More than managing your equity, a good strategy will help you determine aforesaid whether or not to take a trade. I have presented here one of my favorite equity management strategies known as Fibo-

based equity management strategy. All you need is to simply follow the rules. Hope your trades improve with my strategy.

FIBO–EQUITY MANAGEMENT STRATEGY

See diagram the first chart below:



Entry

I have already plotted my Fibonacci Retracement in the above chart. After plotting Fibonacci Retracement, the following retracement levels are generated: 100.0, 61.8, 50.0, 38.2, 23.6 and 0.0. Of all these, the three most important levels are 38.2, 50.0 and 61.8. These are retracement points where you should be aiming at joining the market because the market tends to offer great entry opportunities at these levels. All these levels simply serve as Support and Resistance levels. In an uptrend as we had above, they serve as Support on price retracement. So, price on retracement to any of them would encounter support barrier and may continue its upward movement if the support is stronger.

(More on Fibonacci in a separate program)

But, how do I use this to determine good probability trades?

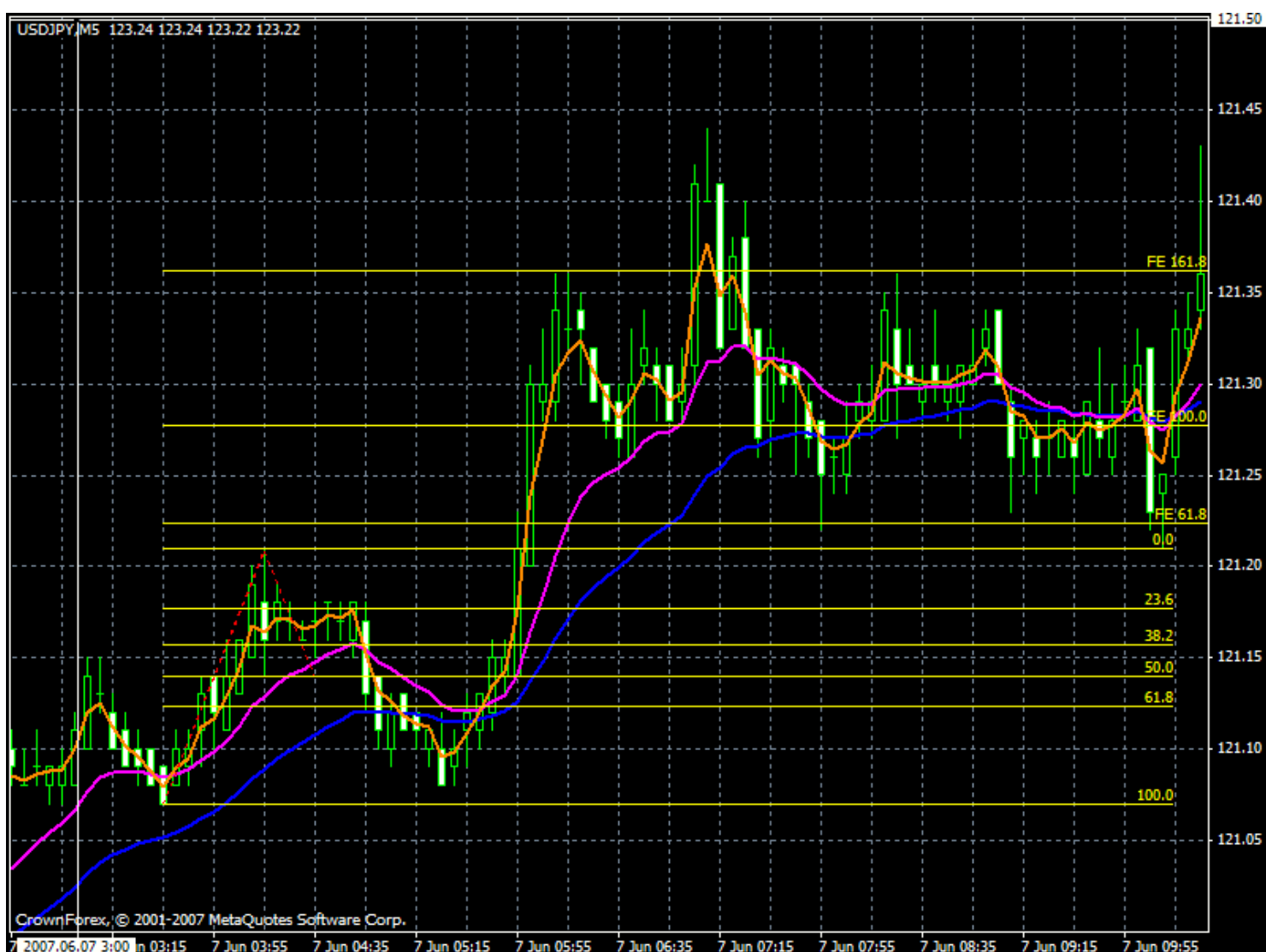
Simple!

At any of these levels, your job is to measure to see if it provides any good opportunity for a good stop loss order: 10-30 pips stop loss.

Now watch the above chart and you can see that we have a good opportunity to enter at the 61.8 retracement when the 3 period EMA crossed the 13 period EMA above the 30 period EMA. Placing a buy order at 61.8 retracement with the price at 121.12, and placing a stop loss order at somewhere 5 pips below the 100.00 retracement level otherwise known as Swing A, with the value price at 121.02 provides for stop loss of about 10 pips and this passes the first and obvious test of not risking too much per trade. (Confirm this claim in any chart for USD/JPY of 7 June 2007 at about 5:00 GMT).

Next in line is calculating your risk-reward ratio and I will plot the Fibonacci Extension to measure potential take profit target.

The Fibonacci Expansion is plotted from the same point where the retracement was plotted, and you will be getting the following results: FE 61.8, FE 100.0 and FE 161.8. These are to serve as your potential take profit levels. But first watch the chart below .



Profit Taking Levels

If you observe the above chart well, you will notice that initially, the trade profit potential gave us about 1:1 risk-reward ratio with the first take profit potential at FE 61.8 being at 121.22, that is, 10 pips. But before the end of the session it cleared all resistance barriers to provide us with over 30 pips (Not going for peaks and bottoms). The opportunity here eventually turned out to offer 1:3 risk-reward ratios. The two arrows above signal exit and take profit points.

In practice, when I spot opportunities, I place orders with stop loss first and see if I can trail the stop before fixing my take profit order, that way I do not short change myself. However, with a stop loss offer of 10 pips by the system, I think it won't be a bad idea taking the trade at the offer price. Do not take my word for it. Go back in time and do back testing by yourself and demo trade to see if the system works for you. But, I believe it will make you money. Make that shift and watch your trading account make a better shift to profitability. But always remember the following equity management rule: Do not risk more than 1-2% of your core equity. Core equity= Starting balance – margin in trade. Example: if your starting balance is \$500 and enter a trade with \$100, your core equity will be calculated as follows: Core equity= \$500 - \$100 = \$400. If you are to enter a second trade, you will only risk 2% - 3% of \$400.

EQUITY-BASED RISK MANAGEMENT

Planning your equity management based on your account core equity is one other way of managing your forex account wisely. To do this successfully, there is the need to understand the meaning of core equity. Your core equity= Starting balance-used margin in trade. For example, if you have a starting balance of \$1000 and open a mini position with two mini lots of \$200, your core equity will equal \$1000-\$200=\$800. So, rule for equity management is simple; never trade with more than 50% of your equity, and never risk more than 2-3% of your core equity. Apply these to your trades and stay longer in trading.

Below are short descriptions of the Bollinger bands and the Relative Strength Index (RSI). Hope you enjoy studying them.

Bollinger Bands

Bollinger Bands Technical Indicator (BB) is similar to [Envelopes](#). The only difference is that the bands of Envelopes are plotted a fixed distance (%) away from the [moving average](#), while the Bollinger Bands are plotted a certain number of standard deviations away from it. Standard deviation is

a measure of volatility; therefore Bollinger Bands adjust themselves to the market conditions. When the markets become more volatile, the bands widen and they contract during less volatile periods.

Bollinger Bands are usually plotted on the price chart, but they can be also added to the indicator chart (Custom Indicators). Just like in case of the [Envelopes](#), the interpretation of the Bollinger Bands is based on the fact that the prices tend to remain in between the top and the bottom line of the bands. A distinctive feature of the Bollinger Band indicator is its variable width due to the volatility of prices. In periods of considerable price changes (i.e. of high volatility) the bands widen leaving a lot of room to the prices to move in. During standstill periods, or the periods of low volatility the band contracts keeping the prices within their limits.

The following traits are particular to the Bollinger Band:

1. Abrupt changes in prices tend to happen after the band has contracted due to decrease of volatility.
2. If prices break through the upper band, a continuation of the current trend is to be expected.
3. If the pikes and hollows outside the band are followed by pikes and hollows inside the band, a reverse of trend may occur.
4. The price movement that has started from one of the band's lines usually reaches the opposite one. The last observation is useful for forecasting price guideposts.

Calculation

Bollinger bands are formed by three lines. The middle line (ML) is a usual Moving Average.

$$ML = \text{SUM} [CLOSE, N] / N$$

The top line, TL, is the same as the middle line a certain number of standard deviations (D) higher than the ML.

$$TL = ML + (D * \text{Std Dev})$$

The bottom line (BL) is the middle line shifted down by the same number of standard deviations.

$$BL = ML - (D * \text{Std Dev})$$

Where:

N — is the number of periods used in calculation;

SMA — [Simple Moving Average](#) ;

Std Dev — means Standard Deviation.

$$\text{Std Dev} = \text{SQRT} (\text{SUM} [(\text{CLOSE} - \text{SMA} (\text{CLOSE}, N))^2, N]/N)$$

It is recommended to use 20-period [Simple Moving Average](#) as the middle line, and plot top and bottom lines two standard deviations away from it. Besides, moving averages of less than 10 periods are of little effect. (you do not need to know how to do the calculations as they have already been built into your system).

Relative Strength Index

The Relative Strength Index Technical Indicator (RSI) is a price-following oscillator that ranges between 0 and 100. When Wilder introduced the Relative Strength Index, he recommended using a 14-day RSI. Since then, the 9-day and 25-day Relative Strength Index indicators have also gained popularity.

A popular method of analyzing the RSI is to look for a divergence in which the security is making a new high, but the RSI is failing to surpass its previous high. This divergence is an indication of an impending reversal. When the Relative Strength Index then turns down and falls below its most recent trough, it is said to have completed a "failure swing". The failure swing is considered a confirmation of the impending reversal.

Ways to use Relative Strength Index for chart analysis:

- **Tops and bottoms**
The Relative Strength Index usually tops above 70 and bottoms below 30. It usually forms these tops and bottoms before the underlying price chart;
- **Chart Formations**
The RSI often forms chart patterns such as head and shoulders or triangles that may or may not be visible on the price chart;
- **Failure swing (Support or Resistance penetrations or breakouts)**
This is where the Relative Strength Index surpasses a previous high (peak) or falls below a recent low (trough);
- **Support and Resistance levels:**
The Relative Strength Index shows, sometimes more clearly than price, levels of support and resistance.
- **Divergences:**
As discussed above, divergences occur when the price makes a

new high (or low) that is not confirmed by a new high (or low) in the Relative Strength Index. Prices usually correct and move in the direction of the RSI .

Calculation

$$RSI = 100 - (100 / (1 + U/D))$$

Where:

U — is the average number of positive price changes;

D — is the average number of negative price changes.

CURRENCY CHARACTERISTICS

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Introduction

When I first started out in forex trading a few years ago, I was greeted with a wide selection of dollar-based currency pairs and crosses which do not involve the U.S. dollar as the base. At that time, there was not much information about the various pairs, and so I decided to first demo day trade on the four Majors, which are namely, EUR/USD, USD/JPY, GBP/USD and USD/CHF, in addition to other common crosses.

As you can see, all of these Major s involve the U.S. dollar. What I noticed was that each pair has its own personality, and you really need to know them well enough. It is not enough to just know their own quirks; you also have to adapt your trading strategies to tailor to each one for maximum success.

So if you are new to forex trading or if it seems that your trading system doesn't seem to work well for all the different pairs that you are trading, then this article should be of interest to you. Since most traders would look to the most liquid currencies in the foreign exchange market, I will share with you some observations I have made with regards to the characteristics of each Major pair.

Characteristics

EUR/USD: EUR/USD is the most liquid currency pair, accounting for 28 percent of daily global turnover in the triennial Bank for International Settlements (BIS) survey of currency market activity carried out in 2004. This is perennially one of my favourite pairs to trade because of its small pip spread of around 3 pips (which is determined by how liquid a pair is) and smoother movements.

The Euro is known to be anti-dollar since it moves contrary to the underlying U.S. dollar direction. If the market is overall bearish on the U.S. dollar, the Euro will have an underlying bid resulting from overall U.S. dollar selling.

I have observed that the average daily pip range for EUR/USD is 100 pips, and its slow movement relative to the other major dollar pairs is due to an antagonistic selling of the EUR/CHF cross in the face of U.S dollar selling when traders wish to bypass other dollar

pairs like the USD/CHF. Thus, EUR/USD is an ideal pair for short-term traders who are averse to jerky movements.

I have also found that EUR/USD has an intimate relationship with USD/CHF and GBP/USD. USD/CHF tends to be negatively correlated to EUR/USD whereas GBP/USD tends to be positively correlated to it. I like to look at the charts of USD/CHF and GBP/USD to form a much clearer picture in my mind, especially when EUR/USD is approaching levels of support and resistance. By seeing if these pairs bounce off or break out of the equivalent technical levels, I can expect a predictable outcome for EUR/USD. Refer to the two charts below to see the correlated moves between EUR/USD and the other two pairs.



5 min chart of EUR/USD on one screen



5 min chart of USD/CHF (top) and GBP/USD (bottom) on another screen

Usually, EUR/USD has a lagging effect with respect to these two other pairs, but sometimes, it can take the lead, and when that happens, you will have to decide which technical levels among the three pairs matter the most. This can be influenced by imminent economic releases or strong psychological levels. You will usually not miss much action if you don't monitor the market during the Asian session because the movements of EUR/USD tend to be the most active and volatile during the European session between 0700-1700 GMT. From my observation, it moves an average of 80 pips during the session, and may be due to a lot of position reshuffling among the big players at this time prior to the opening of the U.S. market. The high volatility within this period is suitable for traders who are more risk-tolerant, and there is plenty of opportunities to enter the market.

USD/JPY: The second most liquid currency pair is USD/JPY. USD/JPY tends to act as a regional currency proxy for China and other less-liquid Asian currencies. As a result, USD/JPY is frequently subjected to prolonged trending periods as geopolitical or trade risks surface. There are two things I have noticed about USD/JPY: one is that I am able to exploit its prolonged trending phase by buying at trendline/price support and selling at trendline/price resistance; second is that when I trade breakouts, they are often true and sustained ones.



Daily chart of USD/JPY

As we can observe in the chart above, a rising trendline has been drawn from May 2005 to around April 2006, and within this period, the three up-arrows indicate bounces off the trendline. The downside breakout that occurred in April 2006 is indicated by the down-arrow, showing a strong sustained breakout.

The reason why USD/JPY tends to experience fewer false breakouts is because of the clustering of Japanese institutional orders around similar technical or price levels. For example, big-sized orders at a resistance level will need to be absorbed if that level is to be broken. This is likely to happen only if a larger market move is unfolding, and this suggests that the breakout is more likely to be sustained. Hence, USD/JPY is ideal for breakout traders who employ entry orders on breaks of trendline or price support or resistance.

The Japanese Yen is particularly susceptible to talks surrounding the Yuan revaluation, and tensions between Japan and North Korea. As a net exporter, Japan competes heavily with China. China's artificial suppression of the Yuan has forced Japan to intervene by artificially depreciating the Yen many times in history. Revaluation would be significantly positive for the Yen, and hence negative for USD/JPY.

I usually trade USD/JPY during the Asian session between 2400-0900 GMT, where it moves an average of 90 pips, providing risk-tolerant day traders with high profit objectives.

USD/JPY tends to move in quite an orderly manner during the Asian and European sessions if there are no economic releases or comments from government officials.

GBP/USD: Cable, as this pair is known, is one of the most liquid currencies in the world, attributed to the United Kingdom's highly developed capital markets. When I first started out demo intraday trading with Cable, I had my worst losses with it, especially with breakout trades. It is definitely one of the most volatile pairs among the majors. The movements of this wild horse can be best described as jittery and jerky, making false breakouts of technical levels common. It is not unusual for these stop-loss driven false breakouts to trade 15-25 pips through a support or resistance level before reversing direction. Cable tends to move more quickly through support or resistance levels compared to EUR/USD, and usually without much retracement, if any.

Since then, I only trade Cable when I see opportunities for position trading, when technical or fundamental trends suggest a possible large movement in price is likely to occur, but which may not be fully played out for several weeks or months. I do not recommend short-term trading of this pair for newbies due to its inherent volatility, as they will tend to get whipsawed very frequently. From the chart below, we can see the two arrows indicating false breakouts within a day, and the overall jerkiness of the pair. The false upside breakout traded 9 pips above the resistance level, whereas the false downside breakout traded 22 pips below the support level.



5 min chart of GBP/USD

GBP/USD has historically been an attractive currency pair to go long for carry trades due to its relatively higher interest rate differentials. However, since the start of 2005, the Pound has been suffering from volatile down moves as speculators rush to exit their long positions due to rising interest rates by the US Federal Reserve. Although GBP/USD is more liquid than the EUR/GBP cross, the latter is usually the leading indicator for GBP strength. This is because Britain's primary trade and investment partner is Europe. As a result, movements in the EUR/GBP cross can affect GBP/USD, and vice versa.

From my observation, GBP/USD is the most volatile during the European session between 0700-1700 GMT, with an average range of 100 pips. This is ideal for risk lovers since higher volatility translates to higher profit potentials even though the probability of being stopped out is quite high if you have very tight stops.

USD/CHF

Swissy, as this pair is known, is one of the least liquid currencies among the majors. One of the important characteristics of the Swiss Franc is its undisputed safe-haven currency status due to its political neutrality as well as its famous privacy laws of its banking system. I've found that Swissy is quite similar to GBP/USD in terms of volatility and liquidity. Like Cable, it is more prone to false breakouts and tends to move quickly through support or resistance levels without much retracement, if any. When trading it, you have to decide extremely fast and be quick in placing entry stop orders for breakouts, especially if you are the sort who usually prefer to wait for retracement before getting into the trade. What I do to sieve out higher probability breakouts is to base my trades on either hourly or daily charts instead of anything in a shorter time frame. The EUR/CHF cross tends to be more liquid than Swissy, and it is preferred among the professional traders or market makers who wish to deal in the Franc. In fact, USD/CHF is generally a synthetic currency derived from EUR/USD and EUR/CHF. When I trade Swissy, I like to look at charts of both pairs to get an idea of where the Swissy is heading for. That said, Swissy tends to be a leading indicator when it comes to major dollar moves.



Hourly charts of USD/CHF (top) and EUR/USD (bottom)

The chart above shows that USD/CHF has tested the resistance level several times (indicated by arrows), and finally breaks above (indicated by vertical line), whereas EUR/USD still has not tested its support level at the time when USD/CHF breaks out (indicated by vertical line). This suggests that EUR/USD is very likely to test its support and possibly break below it soon. This also illustrates how Swissy tends to lead the move ahead of EUR/USD. The Swiss Franc moves primarily to U.S. data rather than its own domestic economic data, unless talks of hiking interest rates within Switzerland surface to sway its direction. With regards to the Franc's safe-haven status, the European Union has increasingly pressured Switzerland to relax its privacy laws and to increase transparency of its customers' accounts. Right now, both parties are still under negotiations, but any changes in banking regulations by the Swiss will definitely have an impact on the Franc. Intraday traders should note that USD/CHF is the most volatile during the European session between 0700-1700 GMT, with an average range of 100 pips. This again is ideal for risk lovers since higher volatility gives rise to more entry points and higher profit potentials.

Adaptation Is the Key

As you can see, each pair really does have its own behavioural traits. Of course there are many more traits and influencing factors to each pair than we could cover here. With enough trading experience, you will uncover more of these yourself. Armed with this knowledge, you can better appreciate each pair, and increase your odds by anticipating and outsmarting the market with unique technical strategies.

Hope you have enjoyed studying my 3 EMA system. Always ensure you trade logically with this system and you shall be sustained in this highly volatile forex market. Please, leave emotions at the door, and trade logically.

Success is yours!

See you at the top

Good trading!

(More Improvement on this work soon!)

Risk Disclosure and DISCLAIMER!

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.