

PaintBarForex

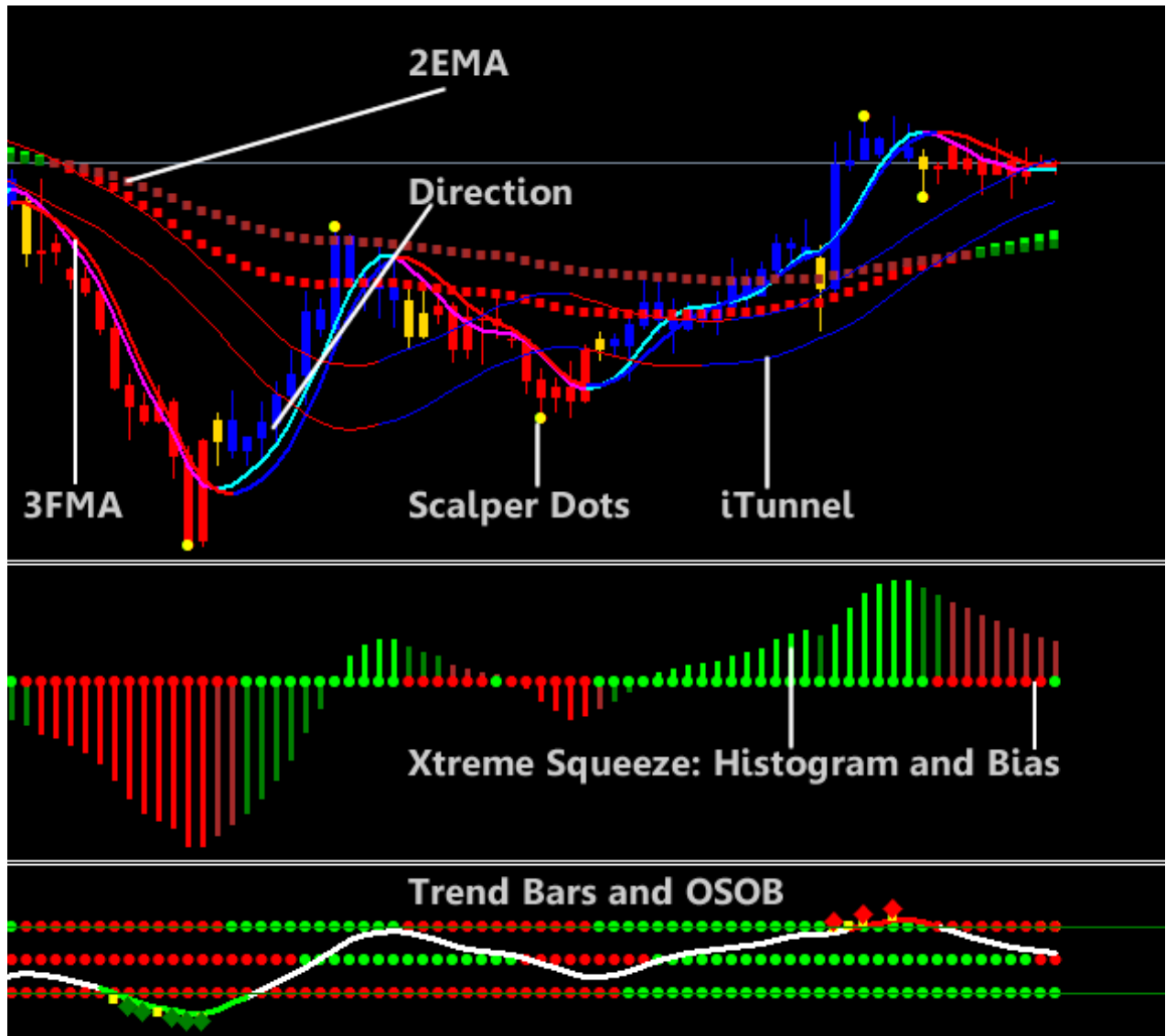
PBF Xtreme Quick Start Guide



New! MetaTrader 4 Version

Welcome to the PBF Xtreme Quick Start Guide

The Paint Bar Forex System consists of the following components:



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Let's look at the components individually:

Xtreme Direction



The Xtreme Direction is designed to easily allow us to see the current market conditions by colouring the candlesticks.

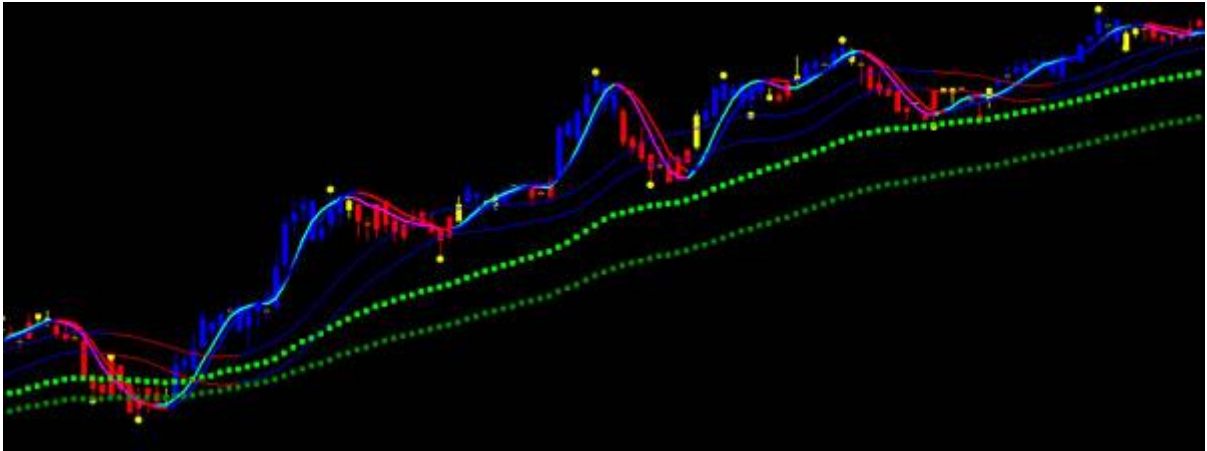
Blue candles mean buy, red candles means sell.

Yellow candles show us that the market may change direction.

Whilst this is a powerful tool, we want to look at the other indicators for confirmation and for entries.

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Xtreme 2EMA



The Xtreme 2EMA is designed to help us when we are in a trade.

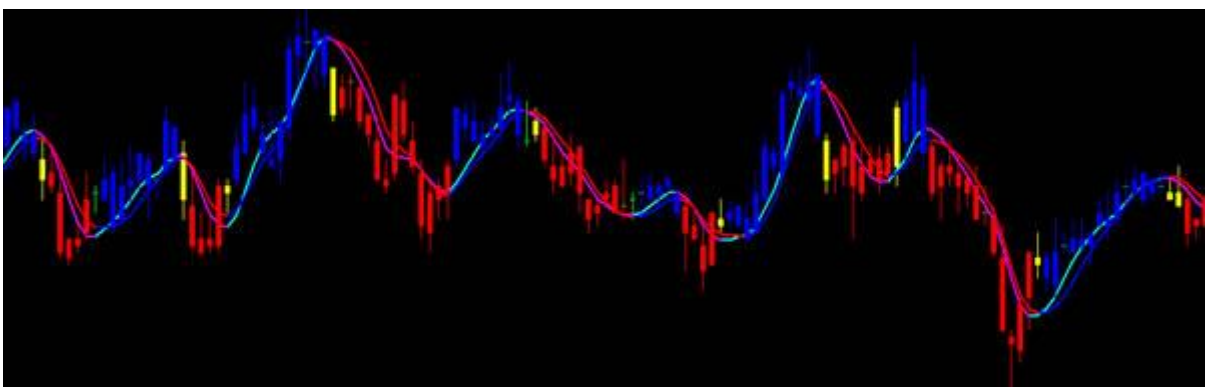
In a down trend they are red and in an uptrend they are green.

We look to the 2EMA to help us see dynamic support and resistance areas in a trend.

Price often pulls back to the 2EMA and bounces in a trending market.

If you are a counter-trend trader, you can also use the 2EMA as a profit target.

Xtreme 3FMA



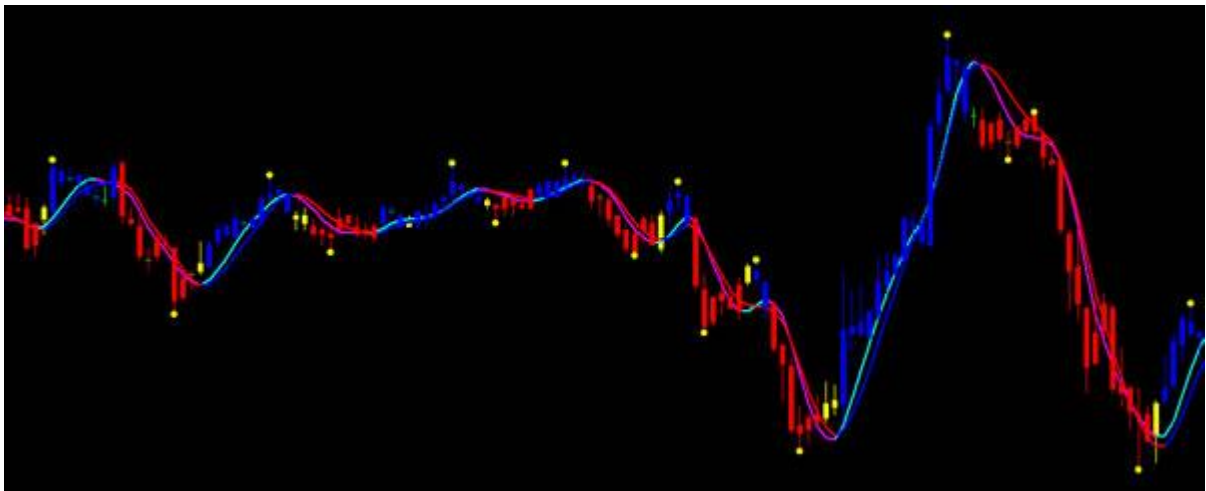
The 3FMA is designed to be a part of your entry strategy.

Following a yellow candle on the Direction, if the price closes above the dark blue and light blue lines it means buy.

If the price closes below the red and pink lines after a yellow candle, it means sell.

However, even if we receive a signal, we still look at the other indicators for confirmation.

Xtreme Scalper Dots



The Scalper Dots are small yellow circles that print 2-4 bars after a high or low.

They are designed to show the market structure and also allow you to easily draw trend lines.

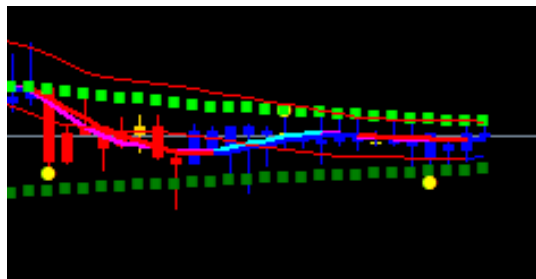
Xtreme iTunnel



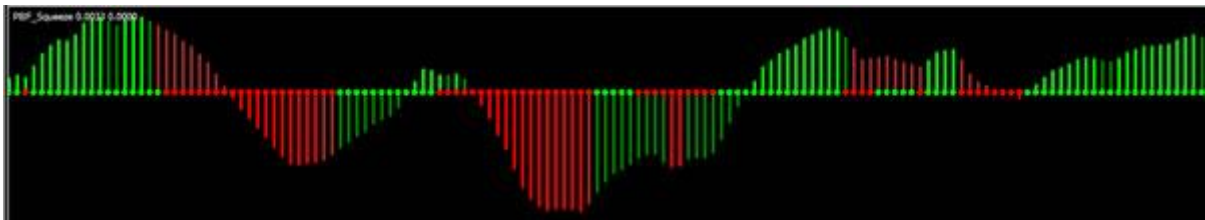
The iTunnel consists of two red or blue parallel lines. It is designed to help you place your trailing stop – in an uptrend trail using the lower iTunnel line and in a down trend using the upper iTunnel line.

After building up some profits, or when the move takes some time and is about to exhaust, switch to the other band to tighten your stop and protect your profits

It is also extremely useful for spotting choppy market conditions – when the candlesticks are inside the iTunnel you should stay away.



Xtreme Squeeze



The Squeeze can be used in many different ways but the simplest is to wait for the Bias line to change colour and ensure that the Histogram is moving in the same direction.

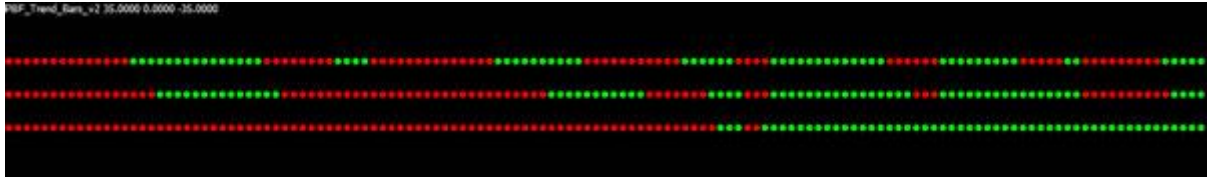
The Histogram has four colours: Bright green and dark green if the market is moving upwards and dark red or bright red if the market is moving downwards.

The Bias line moves from green (buy) to red (sell) and shows the bias of the market conditions – bullish or bearish.

The Squeeze could be used as a stand-alone indicator but it is best to use the other components for confirmation.

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Xtreme Trend Bars



The Trend Bars show the short-term trend on the top line.

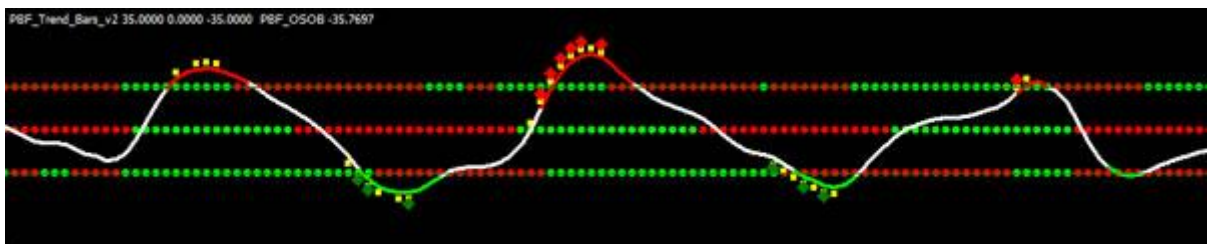
The middle line shows the medium term trend.

The bottom line shows the long term trend.

The Trend Bars have been designed to make it easy to get a feel for higher timeframe trends without adjusting your chart.

Green dots show an uptrend; red dots mean a down trend.

Xtreme OSOB



The white line of the OSOB shows market direction. The white line will turn green if over-sold and red if-bought. The red, green and yellow dots show when these conditions are particularly severe.

The OSOB is designed for three purposes:

- 1) Look to the white line to establish market direction – in an upward market the white line will point up; in a downward market it will point downwards.
- 2) In a range bound market, use it to pick tops and bottoms.
- 3) In a trending market, use it as a warning to look to exit – a yellow candle can confirm that you should consider exiting or taking partial profits when the market starts becoming overbought or oversold.

Simple Trade Set-up Example – Scalping



In this example, we are scalping on a one minute chart.

We are using the 3FMA as the main entry signal – price closed above the 3FMA and we checked the Squeeze Histogram and Bias for confirmation.

Price was above the green 2EMA and this confirmed we are in a strong uptrend.

The stop loss was placed below the recent low, as shown by the Scalper Dot.

The OSOB showed that the market was becoming over-bought, so we trailed our stop using the lower band of the iTunnel.

In this example, you could have taken repeated long trades when price bounced off the 2EMA for additional profits and exited when the bias changed colour from green to red.

Opportunities like this exist all day on M1 and M5 charts using this system.

Simple Trade Set-up Example 4H Chart



In this example, price closed above the 3FMA after a yellow candle on the Direction, signalling us to go long.

The Scalper Dots printed four bars before the entry candle which gave additional confirmation.

The Squeeze Histogram and Bias also changed to give us confirmation



of the 3FMA entry signal, as did the Trend Bars on the shorter term trend.

The OSOB was also starting to turn upwards as an additional confirmation.

We set our stop-loss by placing it at the recent low (the bottom of the yellow candle).

In this case our stop-loss was around 75 pips but if we had exited at the next yellow candle, we would have made around 320 pips profit – a risk:reward ratio of 1:4

Good luck with your trading!

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