

## Triple Screen Trading Strategy

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Dated: Oct 25, 2009

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Multiple time frame trading is a trading method used extensively by forex traders. It involves the use of multiple timeframes. In this method, a trader first looks at a longer timeframe like a monthly or weekly chart to determine the overall direction of the trend.

Multiple timeframe trading means using three or more timeframes in your trading. If the trader finds a decisive long term trend on this timeframe, he/she then decides to drill down to a shorter timeframe like the daily or 4 hourly chart to look for dips or pullbacks in the trend. Learn about forex correlation trading;

<http://www.ninjatraderblog.com/trading/2009/10/forex-correlation-trading/>

In a strong long term uptrend, a minor downward retracement would represent a potentially high probability entry to get in the trend at a reasonably good price. Finally the trader may drill down to an even shorter timeframe like the 30 minutes or 15 minutes charts to pinpoint and time the exact entry.

Learn to use multiple timeframes in your trading. How do you trade multiple timeframes? Suppose, you are interested in trading multiple timeframes! You identify the retracement in an uptrend on a 4 hourly chart. What you need to do is to wait for a resistance breakout on a 15 minute chart in the direction of the trend before entering into a long position.

<http://www.ninjatraderblog.com/trading/2009/10/forex-correlation-trading/>

Trading is all about reading the charts correctly. Multiple timeframe trading can be very powerful if used correctly. What make multiple timeframe trading so powerful is that it puts the traders on the right side of the market while also identifying the highest probability entries available.

One of the multiple timeframe trading strategies is known as Triple Screen. A triple screen resolves the contradiction between the technical indicators and timeframes. The first screen is the long term charts and strategic decisions on long term charts are made using the trend following indicators.

<http://www.ninjatraderblog.com/trading/2009/10/forex-correlation-trading/>

The second screen is the intermediate charts. The second screen is used to make technical decisions about entries and exits using oscillators. The third screen can be an intermediate chart or a short term chart. The third screen is used to place buy and sell orders.

How do you decide what is intermediate and what is long term? Begin by looking at your favorite chart, the one that you use the most. Call it intermediate chart. Multiply its length by five to find the long term chart. Now use trend following indicators on the long term charts.

Staying out of the trade is a legitimate position. Use these trend following indicators in the long term charts to make your strategic decision to go long, short or stay out of the trade.

If the long term chart is bearish or bullish, return to the intermediate chart. Use oscillators to look for entry or exit points in the direction of the long term trend. Set stops and profit targets before you switch to short term charts to fine tune entries and exits.

On the short term chart look for the support/resistance breakout in the direction of the long term trend to pinpoint the trade entry! Use it on your demo account to get familiar with it before you trade live with the triple screen method. Triple screen is a simple but ingenious multiple timeframe approach to forex trading.

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Mr. Ahmad Hassam has done Masters from Harvard University. He is interested in day trading stocks and currencies!

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