



Intro to:

# Core Trading and the Setti Ponti Ratios.

# Core Position Trading

## What is Core Trading?

Taking a position in a long or short based on a major chart point.( Example Trend Reactionary Numbers, Pivot points, Fibonacci levels etc. etc.) we will then trade around the core position whether it be long or short, (we have ultimate stop loss for that core position ) by trading around the core position using the Forex confidant method we are attempting to better the position average. Look to the example below.

Long €200,000 price 1.4530 Reason TRN BREAK UP!

Buy	Sell	RATE	NET	AVERAGE
200,000		1.4530	+200k	1.4530

- This is our core position sheet, we'll put this trade aside after we have placed our stop loss on this trade. We will now trade using forex confidante method of trading. We will follow the signals given to capture profits and better our overall core position.
- Let's assume a Sale signal comes out at 1.4575. we take its selling half our overall core position. You can trade smaller size if that suits your personality, you don't have to trade one half of the overall core position. **However you can not trade larger than the core position, ever!**

# Example.

## Sale signal

so we take a sell signal and we had a level to target at 1.4558, we can't break so we buy back our position at 1.4562!

here is what our day trading sheet looks like.

BUY	SELL	RATE	NET	AVERAGE
	100,000	1.4575	-100k	1.4575
100,000		1.4562	-	

We sold 100,000 at 1.4575 and bought back 100,000 at 1.4562, We made .0013 on 100,000 euro. So we made \$130 USD. We can then roll that Profit into our Core Position.

So we made .0065 pips on the core position(because we made 13 pips on half of the core, that equals 6.5 pips on the core), or we can get real complicated and show the math.

$$200,000(\text{core position}) \times 1.4530(\text{Core rate}) = \$290,600$$

$$290,600 - \$130 = 290,470 / 200,000 = 1.45235 \text{ our new average.}$$

# How to measure recent Legs.



### Fibonacci Adjusted Ratios 24% and 48%

The red arrow is 1.6333, the green arrow is 1.6262. We take the difference and get .0071.

$.0071 \times 24\% = .0017$  added to 1.6262 = 1.6279 is the first level we need to get over to attempt to break out.

The next level is  $.0071 \times 48\% = .0034$  added to 1.6262 = 1.6296

That is the next level we need to break to confirm the markets intent on breaking up. Thats how we measure recent legs, Most recent supply against most recent Demand. This gives us a spyglass look into the market and is a technique used in my Setti Pointi (Seven Bridges System)

Cheers

Tom Strignano