

Welcome to The Intermediate section of the Noble Impulse Strategy

In this section, we will show you how we filter false signals and increase our winning rate significantly. We put together a game plan, covering everything that correlates to the Noble Impulse indicator. Support and Resistance levels, as well as entry and exit targets.

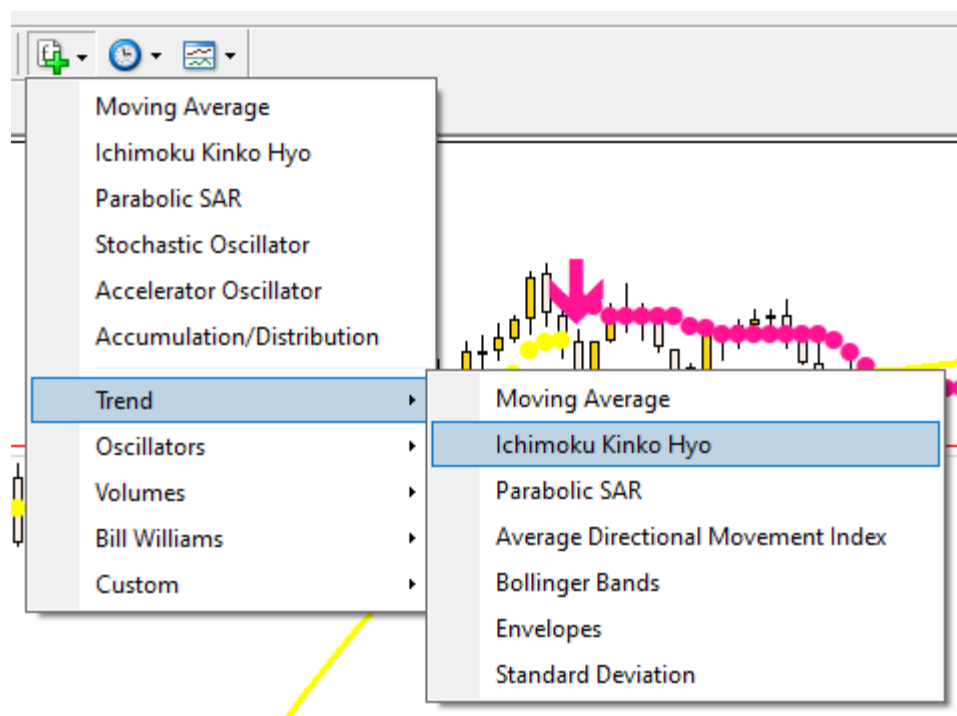
We will be using the Ichimoku Cloud moving average along with Noble Impulse Indicator to provide a further understanding of the overall market conditions. However, in the next section on the Advanced strategy. We will be using the entire Ichimoku Cloud system.

What is Ichimoku Cloud or Ichimoku Kinko Hyo?

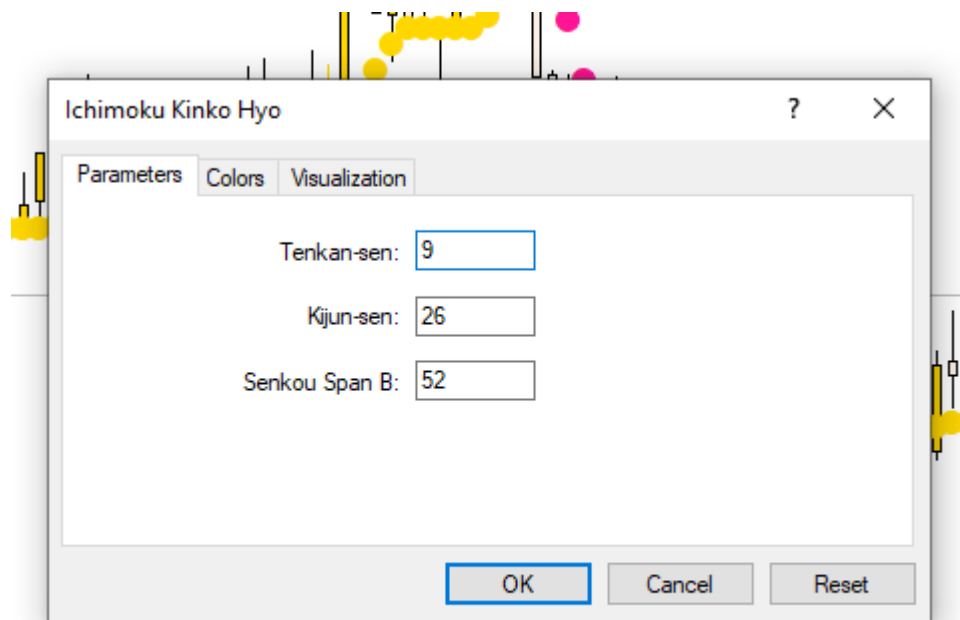
Ichimoku Cloud is developed by Goichi Hosoda. It represents a trend-following trading system with a variety of indicators that are similar to moving averages. The Ichimoku cloud is one of the few indicators out there that can predict price movement. The advantage of this indicator is the fact that it offers a unique perspective of support and resistance, representing these levels based on price action.

How to Properly Set up your chart with Ichimoku Cloud Moving Average

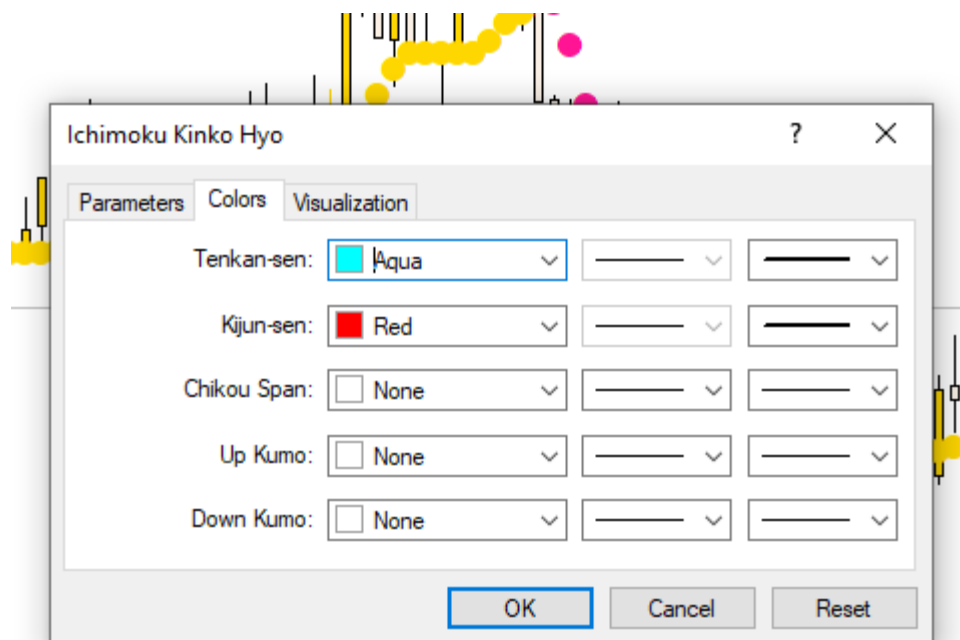
Simply go to Indicator. Under the Trend section, you should find the Ichimoku Cloud



On Ichimoku Cloud Parameters, leave it as default



On Colors, only make Tenkan-sen and Kijun-sen visible. This is what we will be using on the Intermediate strategy.



Recommendation

We recommend that you go through this strategy section with the Noble Impulse and Ichimoku Cloud Moving Average chart in front of you. So you can follow along and get familiarized with this strategy on your chart.

Moving Average

On this strategy, we will be using two Ichimoku Cloud moving averages. One is the Tenkan-sen, but we will be calling this the Conversion line. Two is the Kijun-sen or also known as the Baseline.

Tenkan-sen/Conversion line - Plotted as the highest high + lowest low/2, averaged over the last nine periods.

The Conversion Line is also known as the turning line. Conversion Line signals an area of minor support or resistance. It also moves much faster than the baseline and reacts to trend changes quicker. Its slope shows the market trends, and when it moves sideways, it indicates a ranging market.

Formula: $(9 \text{ period high} + 9 \text{ period low})/2$

Kijun-sen/Baseline - Plotted as the highest high + lowest low/2, averaged over the last 26 periods.

The Baseline moves much slower than the conversion line. The Baseline is also known as the confirmation level and serves as a signal for support and resistance. A lot of traders use the Baseline as a trailing stop level. **This is what we will use as a stop loss.**

Formula: $(26 \text{ period high} + 26 \text{ period low})/2$

How To Read Ichimoku Moving Average Indicators

For many traders, the Ichimoku system might seem complicated and hard to understand, but once you get familiar with how to interpret the charts you will find a lot of great trading signals.

Since the Conversion line only measures 9 candles, it is considered a short-term price movement. **If the market price is above the Conversion Line, this suggests a short-term upward momentum.** If the market price is below the Conversion Line, this suggests a short-term downward momentum.

The Baseline represents medium-term price movement since it measures more candles than the Conversion line. **If the market price is above the Baseline, this suggests a medium-term upward momentum.** If the market price is below the Baseline, this suggests a medium-term downward momentum.

For the strong price movement, we will look at the entire Ichimoku Cloud System

How To Identify Ichimoku Moving Average Trading Signals

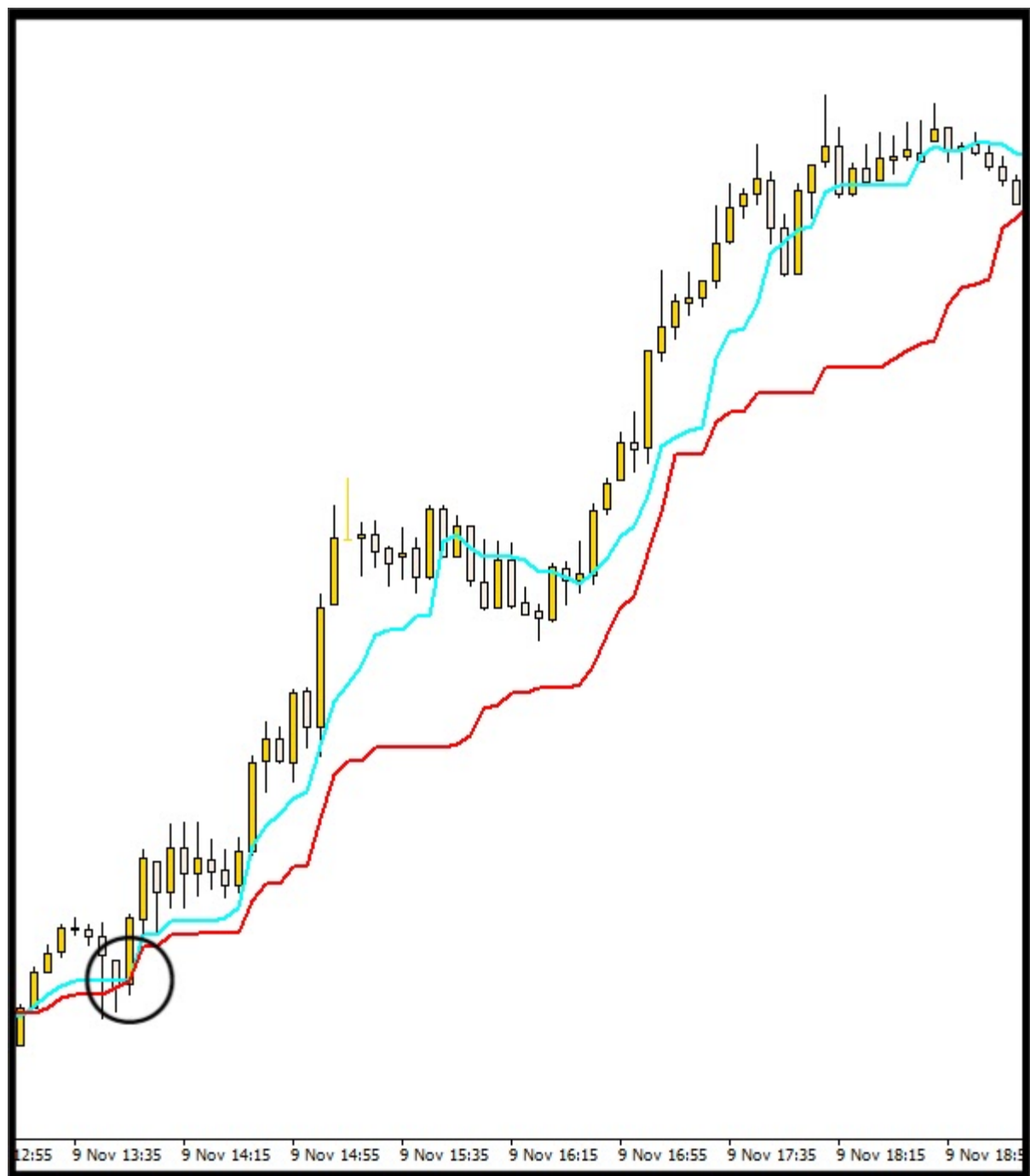
One of the most popular strategies among Ichimoku Cloud users is the Crossover Trading Strategy. The crossover between the Conversion line and Baseline can offer trading opportunities similar to the moving average. You're probably asking why not use normal SMA or EMA. That is because the Ichimoku Cloud moving average offers support and resistance, as well as stop-loss levels, unlike normal moving average.

When the fast-moving Conversion line crosses above the slower moving Baseline, we have a buy signal. (When the Blue line crosses above the Red line, we have a buy signal).

When the fast-moving Conversion line crosses below the slower moving Baseline, we have a sell signal. (When the Blue line crosses below the Red line, we have a sell signal).

When the Moving Average is relatively close and clasp each other it is considered a ranging market.

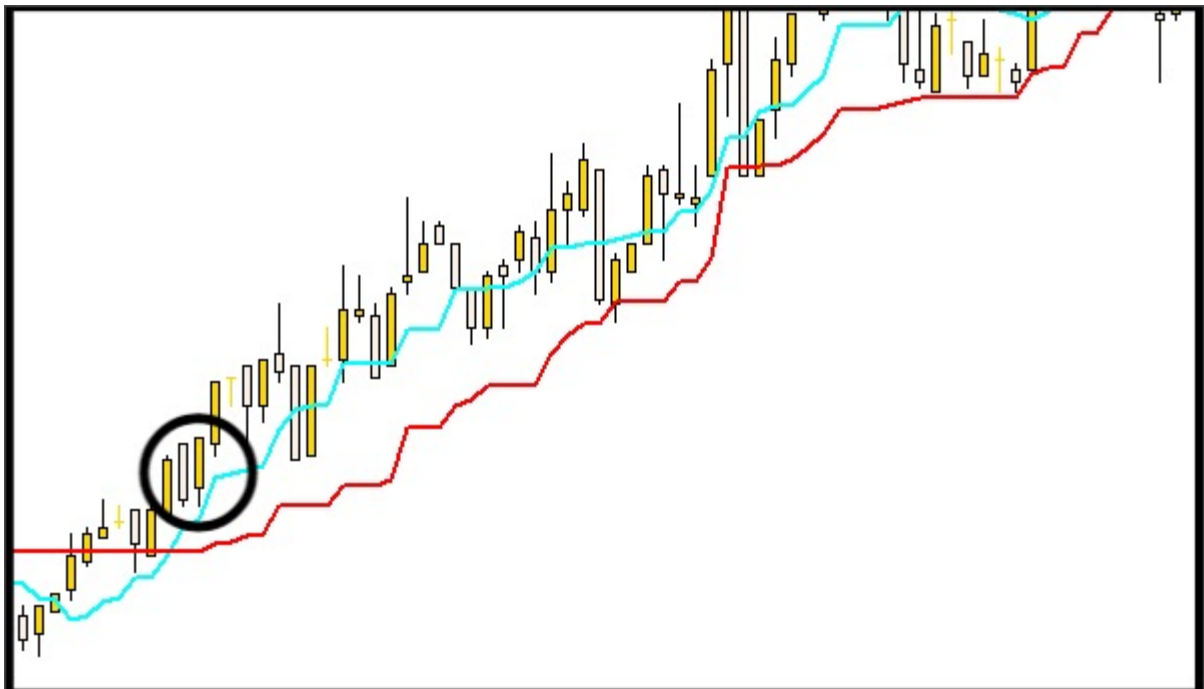
Upward/Bullish Momentum



Weak Bullish Momentum - When the price is trending above the Conversion Line but still below the Baseline. It is considered a weak bullish momentum.



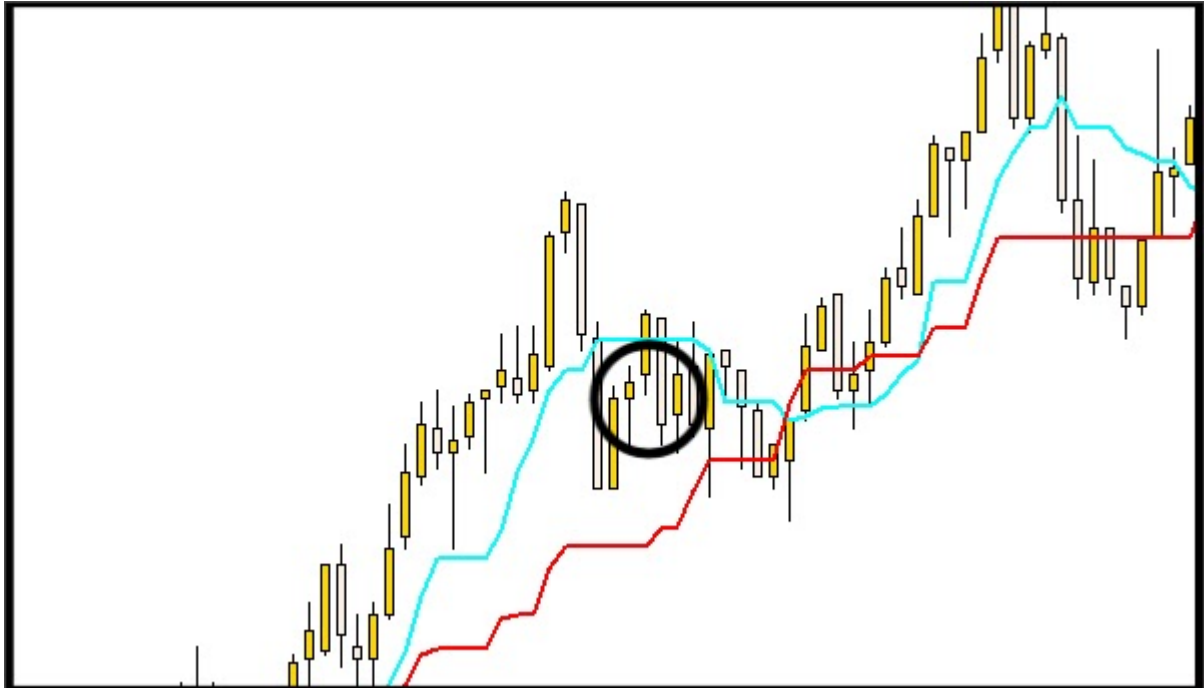
Strong Bullish Momentum - When the price is trending above the Conversion Line and above the Baseline, meaning that the moving average cross over already occurs. It is considered a strong bullish momentum.



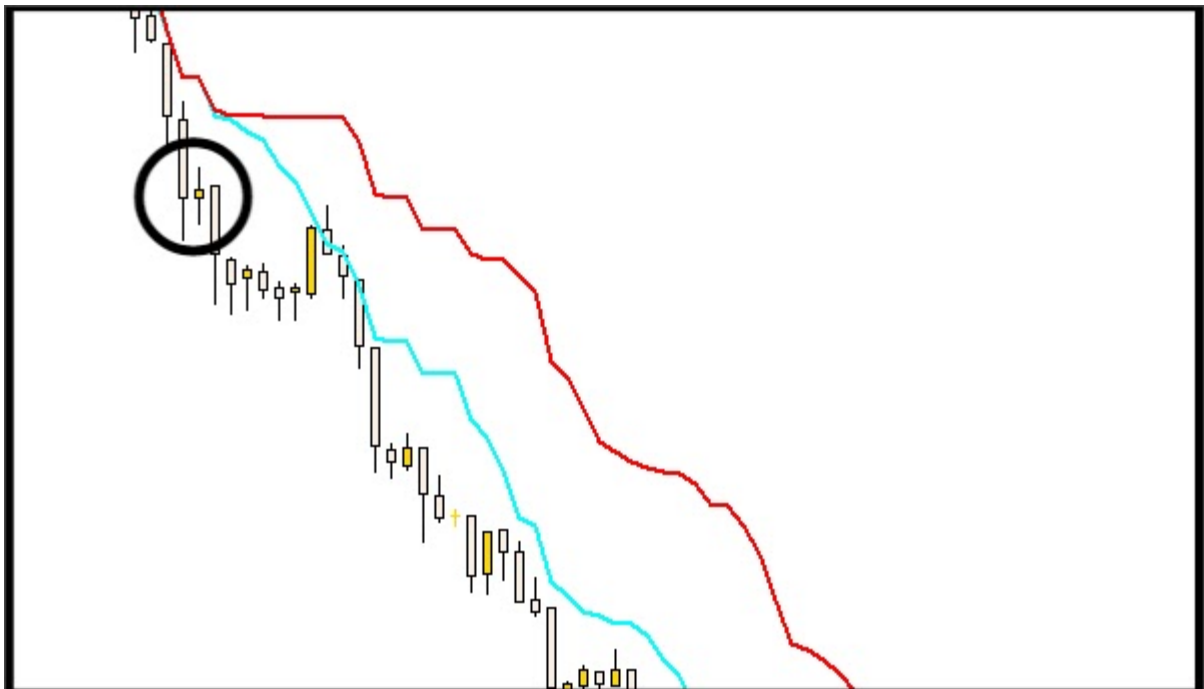
Downward/Bearish Momentum



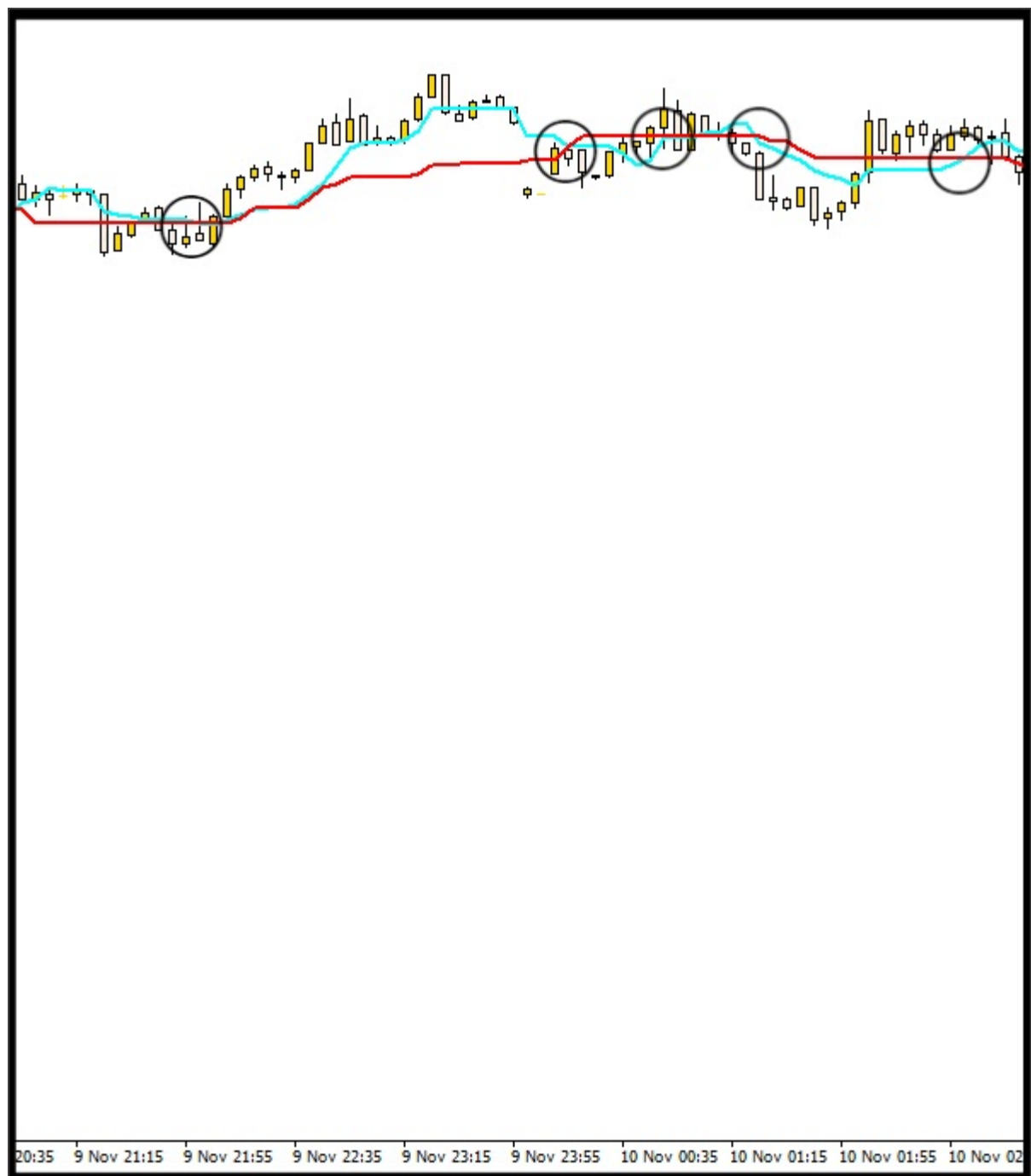
Weak Bearish Momentum - When the price is trending below the Conversion Line but still above the Baseline. It is considered a weak bearish momentum.



Strong Bearish Momentum - When the price is trending below the Conversion Line and below the Baseline, meaning that the moving average crossover already occurs. It is considered a strong bearish momentum.



Ranging Market



Using Moving Average to Filter Signals

Since you are already familiar with reading the Noble Impulse Dots from the Basics course. We will execute the Noble Impulse signals along with the Moving Average strategy.

Things to keep in mind from the Basics course:

Trending period/Diagonal formation - Impulse dots are forming a diagonal line and starting to break apart from each other. This indicates a strong bullish/bearish momentum.

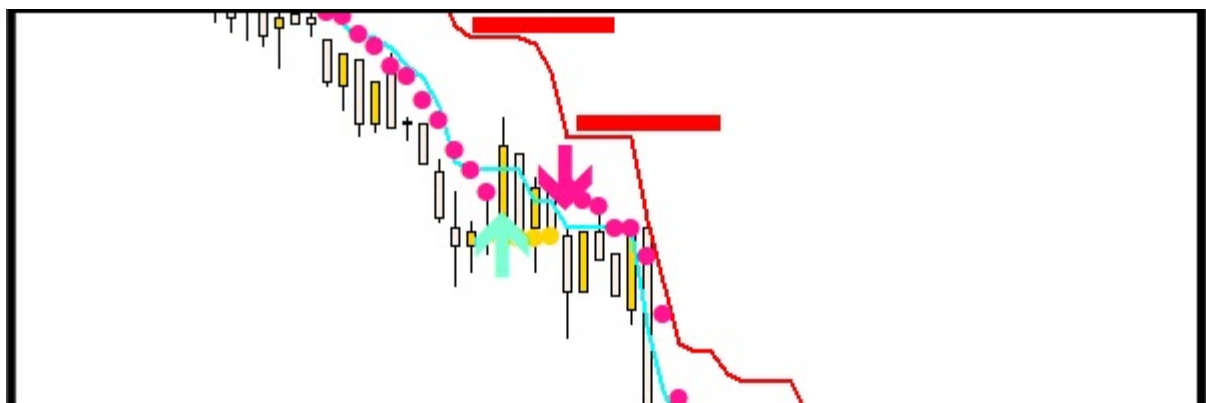
Consolidation period/Horizontal formation - During this period Impulse Dots are relatively close to each other and forming a horizontal line. This is the time where we should stay away from opening a position and wait for the horizontal line to break. The longer the lines the stronger the breakout.

Where To Place Your Stop Loss

There is no strategy in the world that can offer a 100% winning ratio. That's why we have to place a stop loss so we can minimize our losses when the market decides to go the other way. there are multiple ways where we can place a stop-loss on this strategy.

- First, where the Baseline forms a horizontal line(low risk)
- Second, count 10-20 Pips below or above the buy/sell signal(medium-high risk) Of course this depends on what timeframe you're trading on.

Depending on your risk tolerance, we recommend using the Baseline for stop loss.

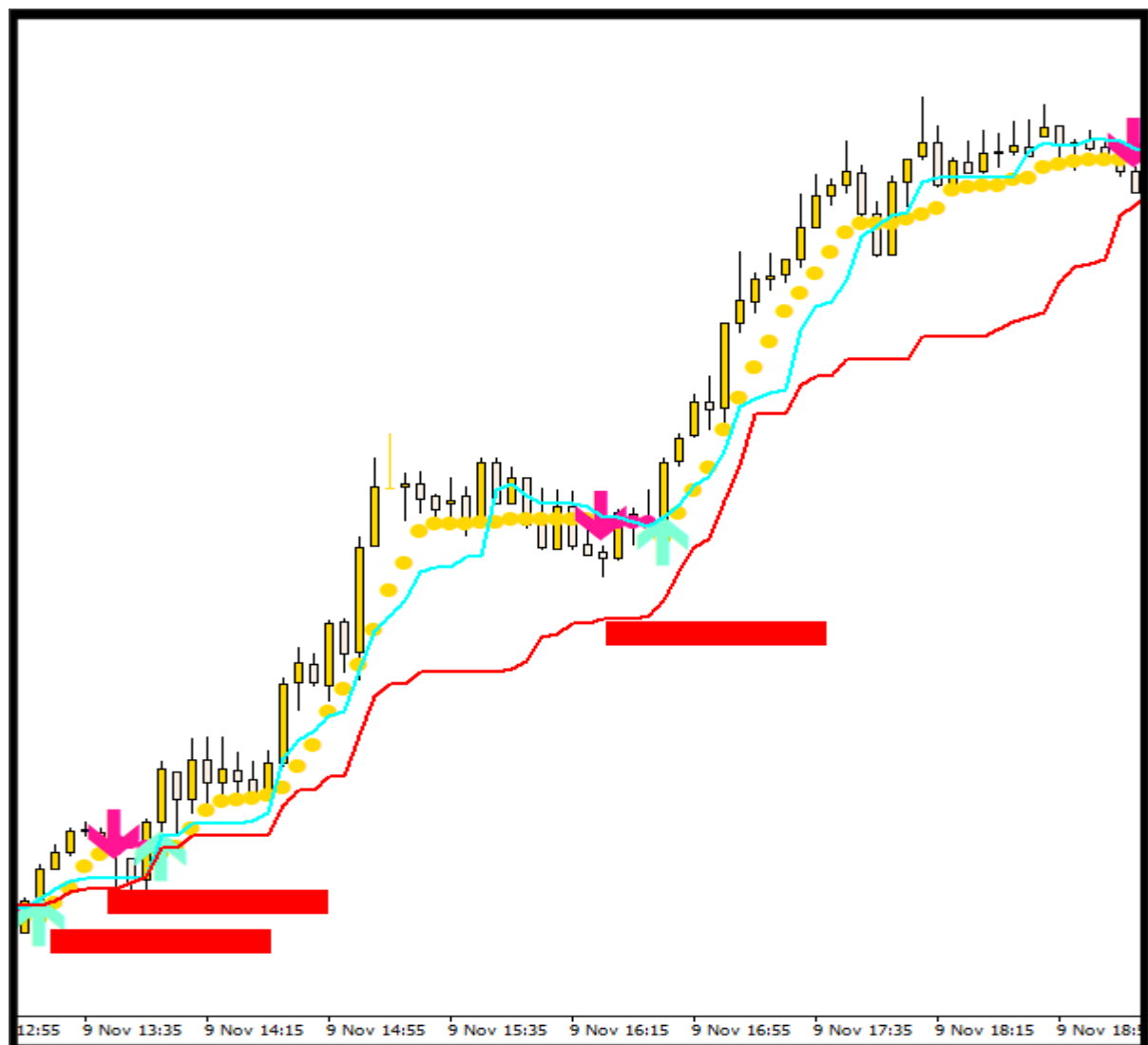


Market Example

Below is an example of the perfect setup for this strategy.

On this setup, we can see a strong upward momentum. Any short signal on this picture is considered a false signal. The first arrow is when the Conversion Line crosses above the Baseline. However, we are stopped by the short signal for a retest on a breakeven. The second signal indicates strong upward momentum. Since the price is above the Conversion Line and the Baseline. At the same time, the moving average crossover is taking place. Like we mentioned above, moving average crossover signals an entry point for Ichimoku Cloud Strategy. But we should consider getting out as we notice the market began to consolidate. The third buy signal is even better. As you can see, crossover already happens, and going back to the basic course, we said that the longer the horizontal dots the stronger the breakout. On these trades, we can see that the Conversion line is acting as a support as it holds the price really well. In this case, you can ride the trend and start trailing your stop-loss on the Baseline.

Red rectangle bars show the stop loss level. This trading strategy is very low risk.



When Should You Consider Closing a Position?

We cannot always close the trade at the very top or at the very bottom. Therefore, we have to find rational reasoning upon closing a position. There are several ways to close a trade on this strategy. First, when the dots began to form a horizontal pattern indicating that the market is consolidating and can possibly go both ways. Second, when the opposing signal pops up. This depends on the current condition. Finally, when the opposite Moving Average crossover takes place. Meaning that the market is about to head in the opposite direction.

Key Take-Aways

The Noble Impulse indicator alone is a very powerful tool. It tells you whether the market is trending or ranging using the Impulse Dots. Adding additional indicators will significantly increase your chance of success.

Also, when you add price action and key levels on higher timeframes. This strategy will be unstoppable.

Upward Momentum:

- When the price is trending above the Conversion Line but still below the Baseline, and Noble Impulse signals an upward arrow. It is considered a weak buy signal. Therefore you should only consider opening a portion of your normal lot size.
- When the price is trending above the Conversion Line and above the Baseline, meaning that the moving average cross over already occurs, and Noble Impulse signals an upward arrow. It is considered a strong buy signal.

Downward Momentum

- When the price is trending below the Conversion Line but still above the Baseline, and Noble Impulse signals a downward arrow. It is considered a weak sell signal. Therefore you should only consider opening a portion of your normal lot size.
- When the price is trending below the Conversion Line and below the Baseline, meaning that the moving average cross over already occurs, and Noble Impulse signals a downward arrow. It is considered a strong sell signal.

Ranging Market

- Be extra careful when trading the ranging market, because the market can possibly breakout in either direction.
- When the Moving Average is relatively close and clasp each other it is considered a ranging market.
- Noble Impulse dots are forming a horizontal line, it is considered as a consolidation period.

TIPS: Imagine there is an arrow at the end of the Conversion line/Blue line. It will help you find better entry and exit targets. If it's pointing up, it indicates a bullish trend. If it's pointing down, it indicates a bearish trend. If it's pointing sideways, it indicates a ranging market.

CONGRATULATIONS!

You have finished the Intermediate section of the Noble Impulse Strategy. We really hope that this strategy can guide you in the right direction. In the advanced section, we will explain how to use the entire Ichimoku Cloud system.

If you need any assistance or have any questions, please reach out to us via email on our website under the contact us section or the email down below. Noble Impulse offers 24/7 support. But due to high traffic, it may take a few hours for our support team to respond. We will do our best to get back to you in a timely manner.

support@nobleimpulse.com

Website link: nobleimpulse.com

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