Moving Average Cross Trading Strategy

Moving Average Cross Forex trading strategy — is a simple system that is based on the cross of the two standard indicators — the fast EMA (exponential moving average) and the slow EMA.

Features

- Very easy strategy to follow.
- Simple indicators used.
- It's easy to set stop-loss.
- Moving averages are laggy — can lag up to 10 bars.
- Ineffective during the flat markets.

Strategy Set-Up

1. Any currency pair and timeframe should work.
2. Add an exponential moving average to the chart, set its period to 9, apply to Close, set color to red (optional) — this is your fast moving average (FMA).
3. Add another exponential moving average to the chart, set its period to 14, apply to Close, set color to blue (optional) — this is your slow moving average (SMA).

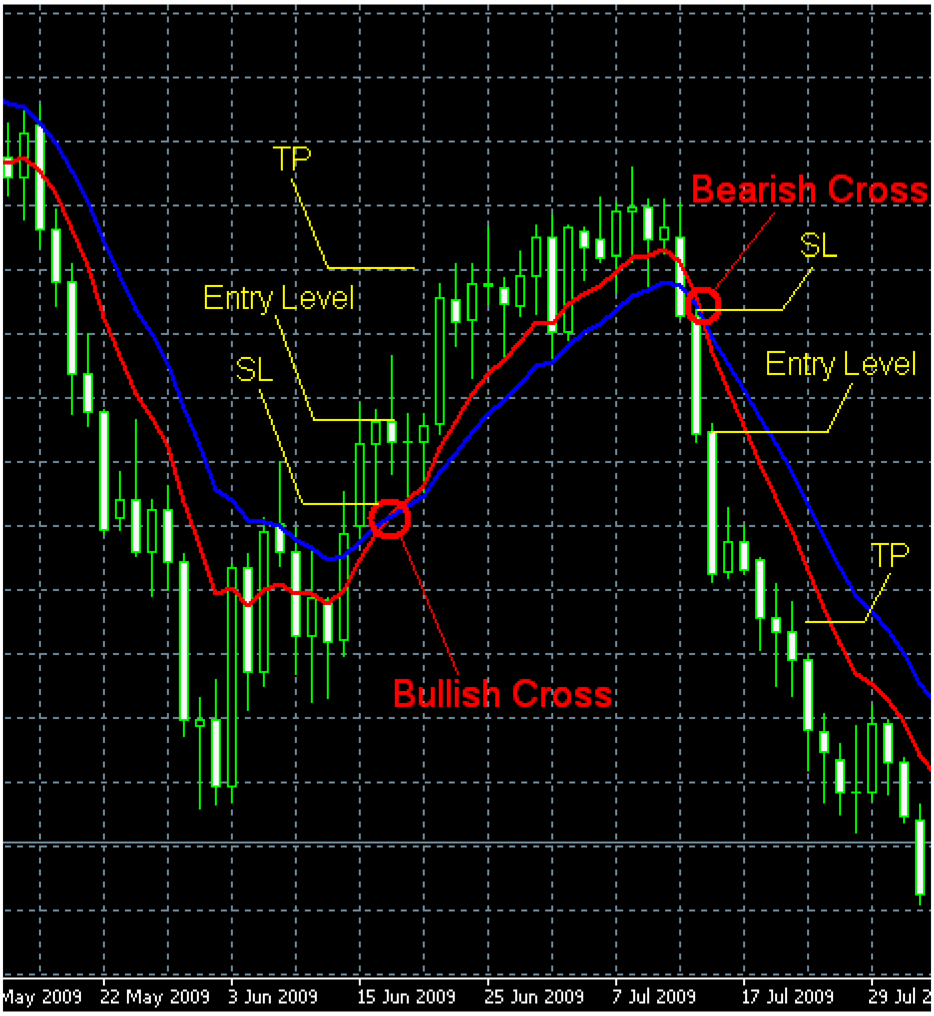
Entry Conditions

Enter Long position when FMA crosses SMA from below.
Enter Short position when FMA crosses SMA from above.

Exit Conditions

Stop-loss for Long positions should be set to the Low of the last candle before the cross occurred. For Short positions — to the High of the last candle before the cross.
Take-profit should depend on the stop-loss and should be not less that stop-loss. I recommend setting TP to 1.5 * SL or 2 * SL.
If another cross appears before the stop-loss or take-profit are triggered close the position.

Example



As seen on the example chart, entry conditions are quite clear and with the proper TP/SL ratio, this strategy can be quite profitable.

Warning!

Use this strategy at your own risk. We can't be responsible for any losses associated with using any strategy presented on the site. It's not recommended to use this strategy on the real account without testing it on demo first.