

MACD + 200 EMA strategy

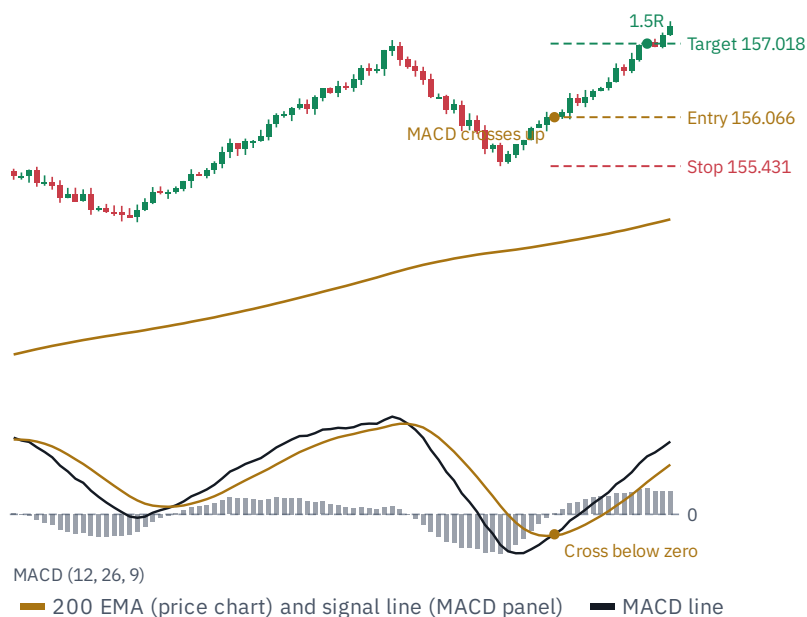
How the MACD works, a cross-below-zero entry with a 200 EMA filter, a USDJPY example and a free Pine Script. By M. A. Horaira, updated 10 October 2026.

THE RULES

- **Indicators:** MACD (12, 26, 9) and a 200-period EMA
- **Long:** the price is above the 200 EMA and the MACD line crosses above its signal line while both are below zero (a pullback in an uptrend)
- **Short:** the price is below the 200 EMA and the MACD line crosses below its signal line while above zero
- **Stop loss:** the lowest low of the last 10 candles for a long (highest high for a short), or $1.5 \times \text{ATR}$
- **Target:** 1.5 times the risk (1.5R); one trade at a time

WORKED EXAMPLE

USDJPY: price above the 200 EMA, MACD crosses up at -0.075. Entry 156.066, stop 155.431 (63.5 pips), target 157.018 (1.5R). \$10,000 at 1% = $\$100 \div (63.5 \times \$6.41) = 0.24$ lots.



Illustrative chart drawn to show the rules, not a real day's prices.

LOT SIZE

Lots = money at risk $\div$ (stop in pips $\times$ pip value per lot).
On yen pairs 1 pip (0.01) on 1 lot is ¥1,000, about \$6.40 near 156. Risk the same 0.5% to 1% on every trade.

BEFORE EVERY TRADE

- ☐ Price above (below) the 200 EMA?
- ☐ MACD crossed its signal line at a CLOSE?
- ☐ Cross below zero (above zero for shorts)?
- ☐ Stop at the 10-candle swing?
- ☐ Yen pip value used for JPY pairs?

BACKTEST IT BEFORE YOU TRADE IT

1. Open the chart on TradingView.
2. Pine Editor → paste the free script → Add to chart.
3. Settings → Properties: add your commission and slippage.
4. Look for 100+ trades, a profit factor above 1 after costs, and a drawdown you can live with.
5. Check the same settings on other dates, then demo trade for a few weeks.
6. Free script: pipledgerfx.com/downloads/macd-strategy.pine

For education only, not investment advice. Trading forex and gold on margin carries a high risk of loss, and no strategy wins every time. No backtest results are claimed here: test the rules yourself with your own costs. In India, residents may trade currency pairs only through SEBI-registered brokers on recognised exchanges (NSE, BSE, MSE) and gold on MCX; offshore forex and CFD platforms aren't allowed under FEMA. Full guide:

pipledgerfx.com/macd-strategy