THE OFFICIAL MAGAZINE OF TECHNICAL ANALYSIS

TRADERSWORLD

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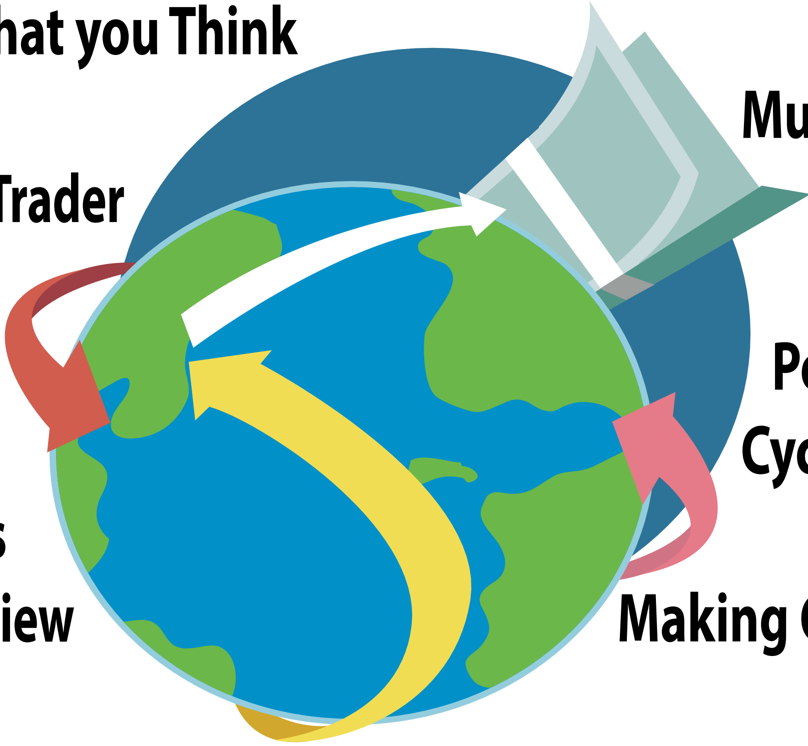
Traders World Online Expo #13

When to Trade with Cycles

Trade Gaps Like an Old Pilot

The Holy Grail - It's Not What you Think

Jan Arps Tool Kit



Multiple Cycle Frame Trading

Becoming a Trader in Today's Markets

Position Trading Cyclic Trigger Points

Never Loss Trading Review

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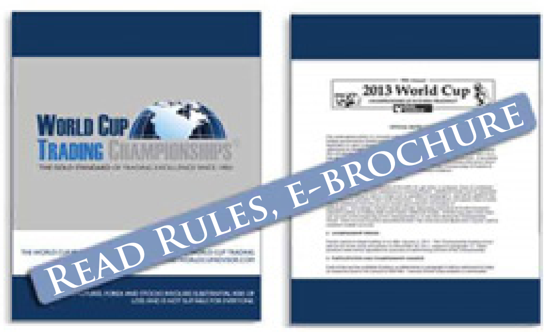

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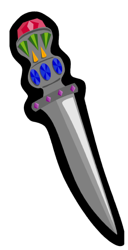

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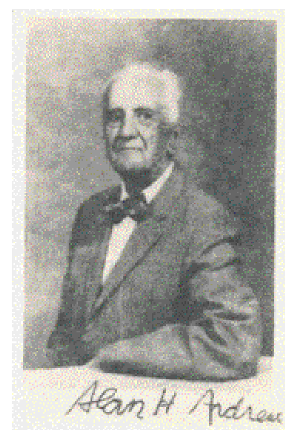

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Jan Arps Tool Kit

Review by Larry Jacobs

Jan Arps recently put out a news release indicating that his Arps TT5 Trend Exhaustion tool gave him an indication that the Dow had topped. He used it on the weekly $INDU chart with a sensitivity setting of 35. So I was curious how it worked so I asked Jan Arps if I could review this indicator. He then gave me for review the Best of Traders' Tool Kit for TradeStation. The tool kit included 8 of their best proprietary tools to help a trader identify intelligent trade set-ups in today's markets. All of these tools work across all markets and on any time frame with user controlled inputs to fine tune it to an trader's individual trading style. Knowing what to set the sensitivity to is crucial to its accuracy.

The tool kit includes:

1. Arps Trender
2. Arps Triple Trender
3. Arps Radar 1 Fear/Greed Indicator
4. Arps Radar 2 Price Leader
5. Arps Radar 3 Trend Index
6. Arps Auto Divergence Detector
7. Arps Pullback 23
8. Arps Trend Exhaustion 1

Now let me go into each of the indicators one by one. I am also reviewing the Arps Trend Exhaustion 5 tool.

The Arps Trender is a statistical based indicator that attempts to keep you in the trend of the market. It puts a stairstep like line on the chart indicating the trend of the market. The direction of the trend then changes from down to up or up to down when the price bar crosses through the Jan Arps Trender Line. See Chart #1.

Chart 1 - Arps Trender

The Arps Triple Trender is one step higher than the Arps Trender. It gives you the power to trade with the equivalent of three time frames, which are long, intermediate and short term. The sensitivity of the short term is = 1, the medium sensitivity is 4 and the long term sensitivity if 7. A trader should only enter a trade when all three trends are in agreement. Then the trader should then get out of his position when the price closes outside of the short-term trender. Then the trader can enter again when all three are back in agreement. The sensitivities of each of the three trenders can also be changed. See Chart 2.

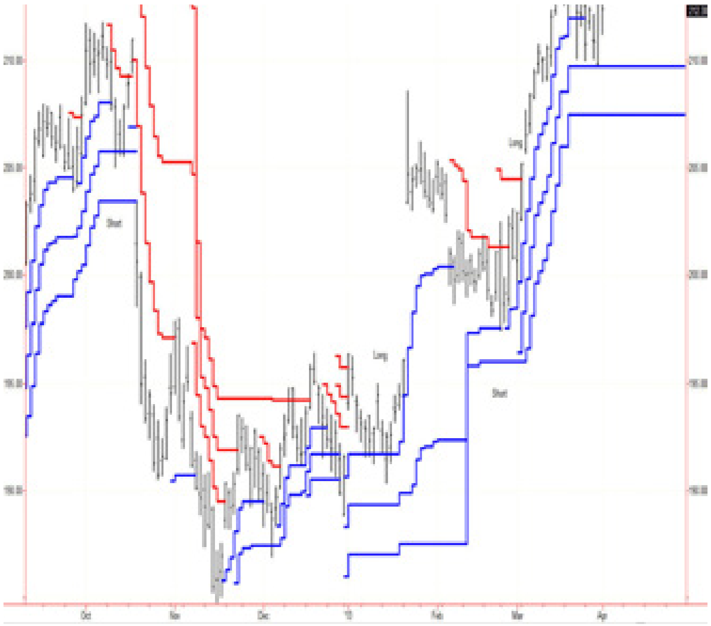


Chart 2 - Arps Triple Trender

The Radar 1 Fear/Greed Indicator is a nice indicator that creates a histogram that is derived from both price changes and volume changes and it measures the n of buying strength to selling strength. Are the bulls or the bears in control? It also indicates divergence. It also works on any time frame. When Radar 1 is in the green zone the bulls are in control. The height of the bars indicates strength. When Radar 1 is in the red zone it is bearish and the depth of the bar indicates the selling pressure. See Chart 3.

The Arps Radar 2 Price Leader is a neat tool and is an early warning indicator. It also works on all time frames. When the red Fast Radar 2 crosses over the Slow Radar 2 green line it indicates an impending change in the market direction. It is then a confirmed change by a crossover of the Slow Radar line over the 50 center line. See Chart 4.

Radar 3 Trend Index is designed to give the user the direction and relative strength

Chart 3 - Arps Radar 1 Fear Greed Indicator

of the current trend. When the bars are blue and above the center line the trend is up and when they are magenta and below the center line the trend is down. See Chart 5.

Arps Auto Divergence is a nice little tool that generates a colored dot above or below the price when a divergence occurs between the direction of the price and any oscillator for

Chart 4 - Arps Radar 2 Price Leader

which the function exists. See Chart 6.

Arps Pullback 23 is used for an opportunity to enter the market after a pull back in the main trend of the market. This is a very popular strategy. Most traders want to see the change of direction before they commit and buy, but they want a pull back with a stop

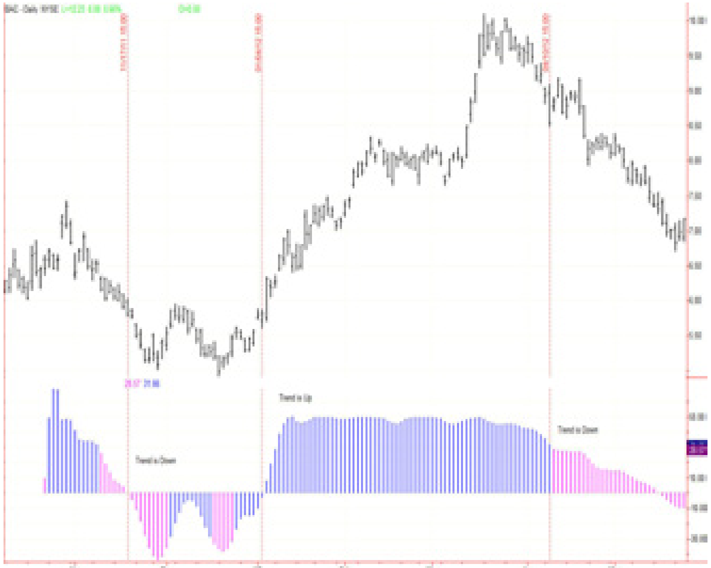


Chart 5 - Arps Radar 3 Trend Strength Index

without much risk. So the Aprs Pullback 23 fits nicely into many trader's entries plans. See Chart 7.

The Arps Trend Exhaustion 3 tool looks at the market from four different viewpoints and plots a potential trend reversal signal when enough of the views agree on the likelihood that the current bar represents significant trend exhaustion. This tool is particularly adept at identifying possible swing points in real time providing you with timely entry or exit warnings. See Chart 8.

Chart 6 - Arps Auto Divergence Detector

Trend Exhaustion 1 uses the Arps Radar2 Price Acceleration Oscillator to identify points where price acceleration turns into deceleration and vice-versa, thus providing early warning for likely price reversal points on the chart.

Chart 7 - Arps Pullback 23

The Trend Exhaustion 1 is designed to indicate when the market is oversold or overbought. Many traders want to know a place to take profits. This is a nice indicator for that. Profits can be taken on a position and then enter back on a pull back. Notice on the chart how the market almost always pulls back. See Chart 9.

Chart 8 - Arps Trend Exhaustion 3

Many of the Jan Arps tools can be used inside of the TradeStation Radar Screen. It gives a trader the ability to scan a large number of symbols using filters based on the Jan Arps technical indicators. In this review I

Chart 9 - Arps Trend Exhaustion 1

used the Auto Divergence, the Triple Trender, the Pullback 23 and the Trend Exhaustion in the scanner. The scanner gives how many bars back a signal occurred and the % change since it happened plus many other factors. The scanner can save you a hours and hours of time by identifying trading opportunities from a large list of symbols and even time frames of your choosing. See Chart 10.

Charts can also be direct linked to the scanner. Just click the symbol and the chart will instantly show itself in the window beside the scanner. See Chart 11.

The real power of the Best of Traders' Tool Kit is combining the various indicators. You can increase your accuracy by confirming the signal of one oscillator with others. If you have 5 oscillators all giving a buy signal, then you have then increased your accuracy and the chances of success. In the next issue of Traders World we will follow up with another article entitled “Combining Oscillators in Jan Arps Best of Traders' Tool Kit”. We will go through how to effectively use the real power of all these tools. Also we will go into how to set the sensitivity of the various indicators and how everything works together. Once you

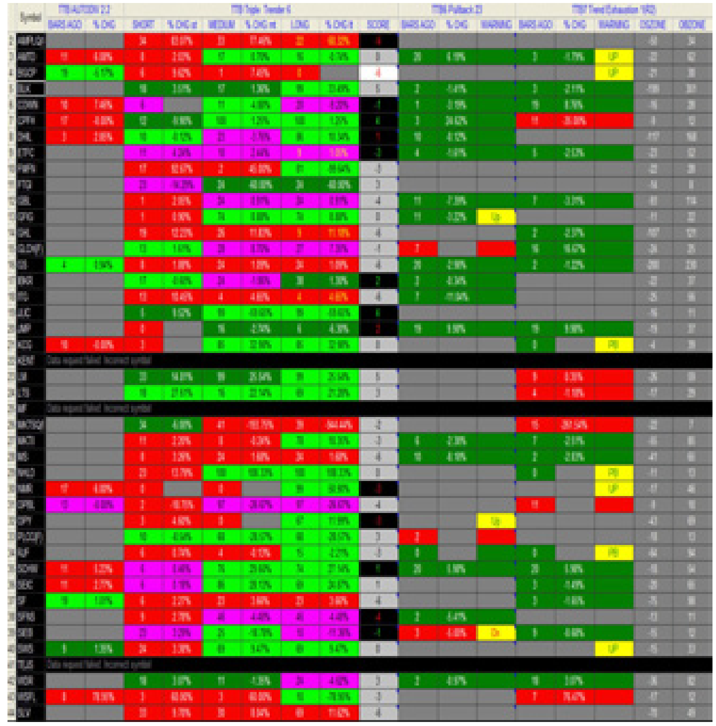


Chart 10

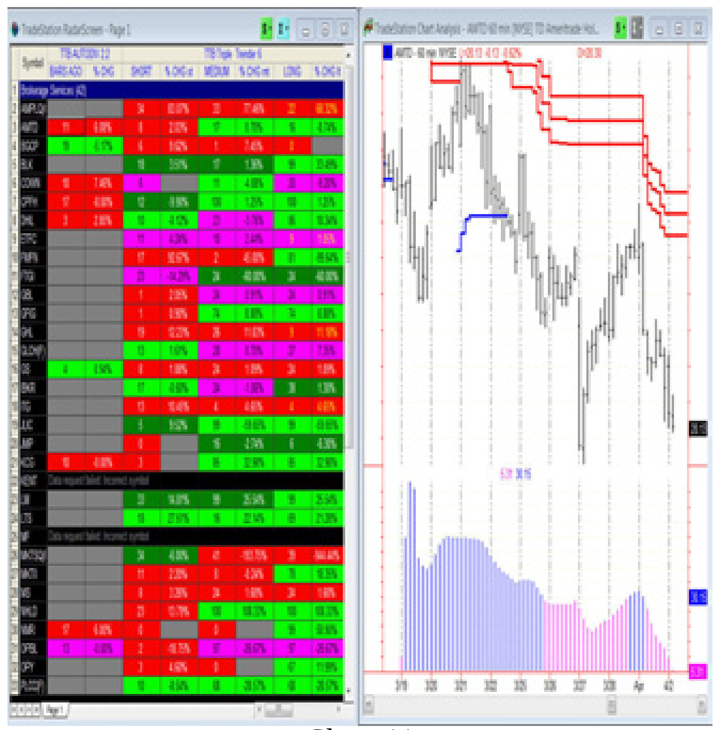


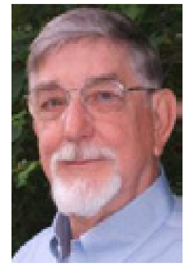
Chart 11

know which indicators work with each other and know how to adjust them for maximum accuracy, you have an optimized trading system for effective professional trading. Stay tuned for our next issue!

For more information go to www.Janarps.com

Jan Arps' Traders' Toolbox

Serious tools for serious traders



The Arps Scan Sentry Tool Kit

A set of cutting-edge scanning tools for Equity, Forex, and Futures

To identify those symbols ready to make a move right now, today.

Stop wasting valuable trading time visually searching numerous charts for the best symbols to trade.

With the Arps Scan Sentry Toolkit you will:

- Make amazingly profitable trading symbols selections using our powerful industry-leading custom scanning tools.
- Take back control of your trading life.
- Cut your trade analysis time in half.
- Efficiently locate profitable trading setups in minutes
- Screen like a market legend

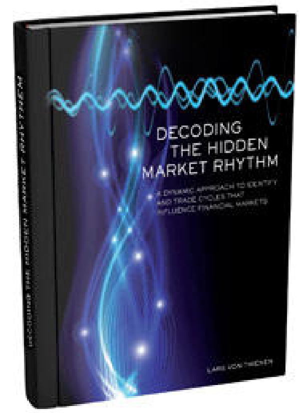
	Symbol	TTB Triple Trender 4				TTB Trender Pullback		TTB PULLBACK 23		TTB Trend Exhaustion1...	
		SHORT	MEDIUM	LONG	SCORE	BARS AGO	% CHG	BARS AGO	% CHG	BARS AGO	% CHG
1	Daily										
2	AMD	5	3	54	6	18	6.87%	7	7.72%	7	5.86%
3	CVX	6	4	69	6	13	4.11%	7	5.06%	7	4.78%
4	ELN	4	19	0	5	12	8.47%	10	5.49%	6	7.72%
5	GG	2	100	100	0			12	0.68%	2	1.63%
6	GS	6	0	12	3	3	-4.15%	7	6.21%	7	5.05%
7	HD	7	35	25	6	9	12.19%	7	8.92%	7	8.57%
8	IGT	5	33	32	5			7	7.88%	7	8.14%
9	KSS	6	0	62	-3	5	-2.53%			8	3.90%
10	MDT	2	1	0	6	2	-3.49%	6	6.08%	6	3.99%
11	MEE	63	64	46	6					4	0.54%
12	MMM	3	5	30	-2	0	0.00%	2	0.45%	3	0.10%
13	MSO	11	9	82	1					7	1.71%
14	MYL	8	64	100	1	20	3.49%	15	4.68%	3	0.10%
15	NDN	20	3	45	3	13	-1.38%	8	-3.06%	4	0.93%
16	PHM	6	0	40	3	3	-6.57%			11	8.41%
17	X	14	27	26	6	16	18.31%			1	0.00%
18	15 Minute										
19	AMD	22	22	22	6			17	-1.00%	1	0.00%
20	CVX	3	51	113	6	11	0.57%	16	0.15%	8	0.40%
21	ELN	13	30	27	6					1	0.00%
22	GG	8	4	61	6	7	-0.02%			1	0.00%
23	GS	6	0	12	3	3	-4.15%	7	6.21%	7	5.05%
24	HD	22	113	113	6					2	0.09%
25	IGT	0	25	24	-6			6	0.30%	3	0.00%
26	KSS	21	2	1	-6	12	-0.69%	10	-0.76%	3	0.48%
27	LUV	15	45	39	6			16	0.00%	1	0.00%
28	MDT	55	77	70	6					4	0.50%
29	MEE	38	51	51	6					2	0.04%

The Scan Sentry Toolkit will give you an incredible edge when identifying entry and exit points on any symbol, any time frame. The Scan Sentry Toolkit is not just for screening stocks for swing trading. It works equally well on day trading chart intervals and on any symbol, including e-mini's, Forex, and ETF's.

To learn more about this exciting new tool kit, go to our home page at www.janarps.com. To watch an Arps Scan Sentry video, click http://www.youtube.com/watch?v=hfRTzOH0MZs&feature=player_embedded

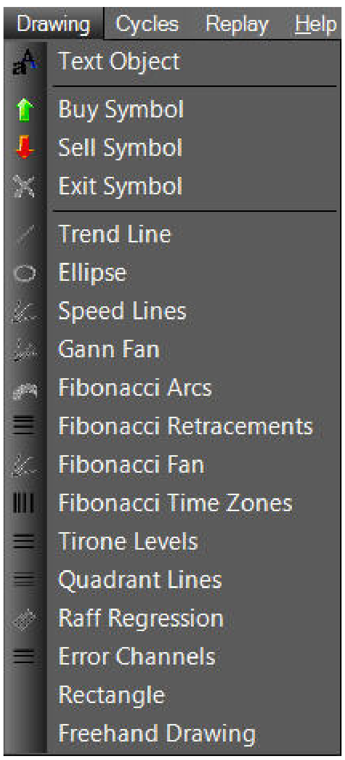
Backed by over 50 years of trading experience, Jan Arps 'Traders' Toolbox has been the serious trader's perferred source for unique, powerful trading tools since 1991. Besides having created numerous revolutionary prpprietary tools, our world-class services to the trading community include personal mentoring, incomparable trading clinics, and expert custom programming.

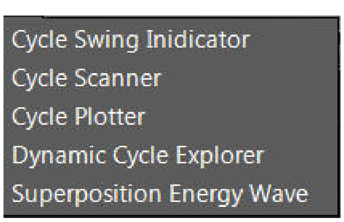
When to Trade with Cycles

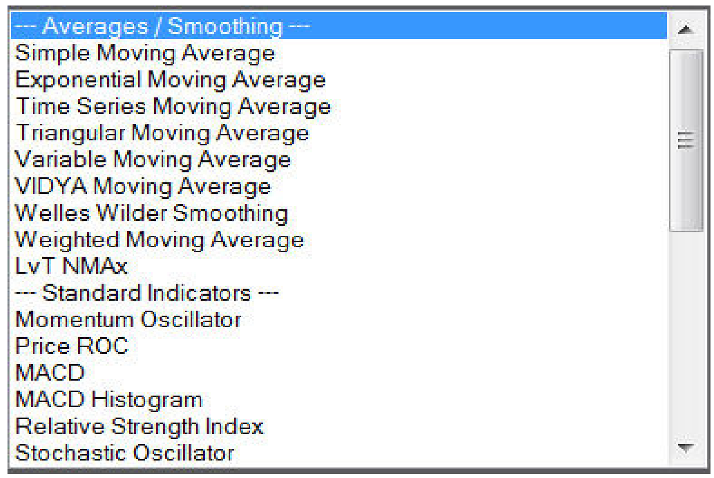


Review by Larry Jacobs

I had the opportunity to review the latest version of the When to Trade Cycles Charting Platform by Lars von Thienen, who is one of the leading developers of market cycle research in the world. He has just released his version 3.0 book "Decoding the Hidden Market Rhythm". This book reveals new algorithms to identify cycles that drive the financial markets and how to use that information to improve technical indicators and also how to forecast using cycles. He goes through many steps through various trading examples using these tools. He even reversed Gann's master cycles and shows how a 100% mechanical based cycle based trading system has shown a compounded growth rate of 20 per year over the last 30 years.







The new version of the Trade Cycles Platform now works with, of course the Wave59 platform, but also includes a stand alone version that works with other data feeds such as barchart market data solutions, which I used in this review. This standalone version is full featured and includes multiple drawing tools and technical studies. It also has exceptional cycle studies such as the Cycle Swing Indicator, the Cycle Scanner, the Cycle Plotter, The Dynamic Cycle Explorer and the Superposition Energy Wave. It can setup time, volume and range charts in any time frame such as weekly, daily or any minute. There are multiple ways to use these cycle charts. In this review I will illustrate two ways I found that were useful.

Now I want to show you what you can do

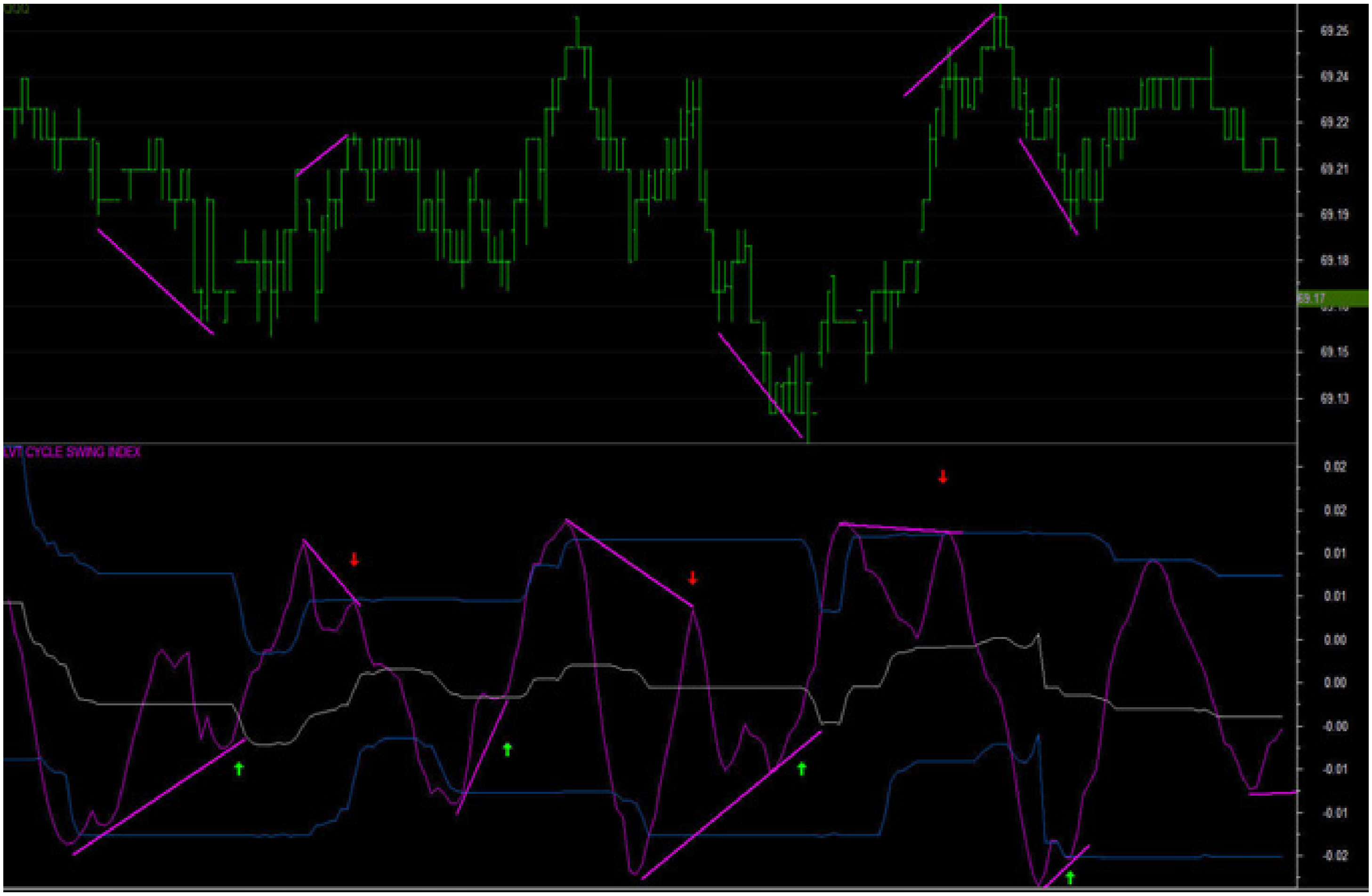
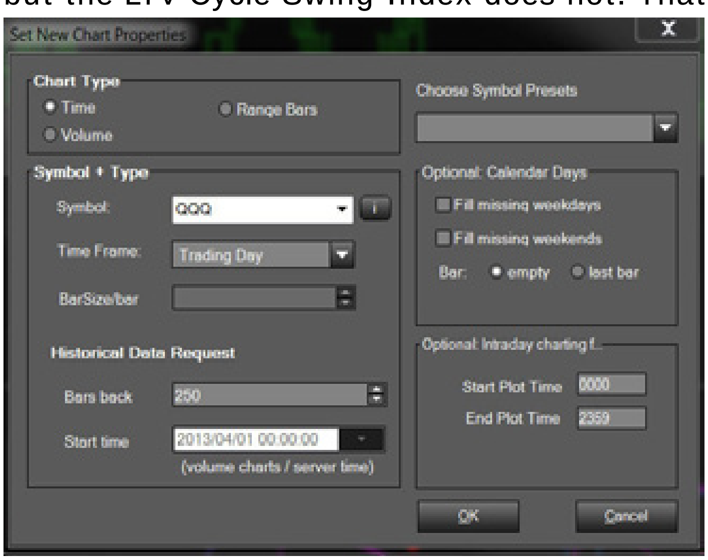


Chart 1

with Volume Charts with LVT Cycle Swing Index with Divergence. Many traders are looking for ways to day trade. Volume charts just might be the way. In chart #1, I used volume charts on the QQQ and set the volume to 20,000. I placed the LVT Cycle Swing Index on the chart and watched divergence setups. Divergence is where the price rises to new higher highs but the LTV Cycle Swing Index does not. That



gives a sell signal. Conversely when price falls to new lows but the LTV Cycle Swing Index does not, then that is a buy signal. Also notice that if the divergence starts from under or over the blue boarder lines on the LVT Cycle Swing Index it more relevant and a better signal is given. Also notice where the LTV Cycle Swing Index goes through the white center line, that is where the buy or sell signal is generated.

The next example in chart #2 I illustrate how to use the LTV Cycle Swing Indicator and the LVT Dynamic Cycle Explorer. The Explorer is setup with both the short and long term cycles. The blue line is the expected cycle trend and the blue dot is where we are in these cycles. The red line is the plotted price cycle. These are used in conjunction with the divergence of the LTV Cycle Swing Index. Trend lines can also be also used on the charts to visually see changes in trends and divergences. At the bottom of the chart

I have the Long term, Short term cycles and the LTV Cycle Index. What I found to be the best signals is when both the short term and long-term cycle were in the same direction after divergence occurs in the price action. In the chart below the signals are indicated with a green up arrow as a buy and a down red arrow a sell. Note the sell arrow in May, a buy arrow in June, a sell arrow in October a buy arrow in December and a sell arrow coming in early April. The dynamic cycle explorer updates dynamically at every new bar so the most important info is the upcoming turning point.

There are multiple way a trader can use cycles along with drawing tools and technical indicators. In the next issue of Traders World we will explore more ways to use the When to Trade Cycles Platform with the different indicators and drawing tools.

There is also now a lot of media attention on a new virtual currency called "Bitcoin" right now. This platform can chart the bitcoin market data exchange rates and the tools in this program can also analyze this market. It is one of the few platforms that can do this and just one example for charting various data sources.

If you are interested in cycle market research, then Lars von Theinen's book and his charting software should be considered for anyone serious in this area.

For more information on this software and the book "Decoding the Hidden Market Rhythm" please go to www.WhenToTrade.com

Chart 2

New Advisory Forecasting Service

1) Mikula Forecasting Service

We are now offering the Mikula Forecasting Service. A new advisory and forecasting service for the DJIA30, EUR-USD Forex currency pair, interest rates, soybeans and gold. We are using the Master Time Factor and a few other cycle methods to make the forecasts. Learn more at http://forecastingmadeeasy.com/wordpress/

Forecasting Made Easy 2012

2) Master Time Factor charts

W.D.Gann's most famous forecasting method, the Master Time Factor, is now available in the new software Forecasting Made Easy 2012. The Master Time Factor can now be setup for any market allowing you to make annual forecasts similar to W.D. Gann's 1929 annual forecast, or make short term forecasts for the next turning point. We also have the new Enhanced-Master-Time-Factor which allows for much more forecasting research. If you want to learn the Master Time Factor and forecast the markets, you must have Forecasting Made Easy 2012.

Master Time Factor Forecast For the DJIA30 for 2012.

3) Multi Time Frame charts

Forecasting Made Easy 2012 has embedded Multi Time Frame features into the built in indicators. Almost every indicator can calculate on a higher time frame to show the longer term indicators on the short term bar chart. Because the Multi Time Frame ability is built in, it has never been easier to use the forecasting power of Multi Time Frame indicators. Forecasting Made Easy 2012 also has the ability to make Mirror Cycle forecasts. The Mirror Cycle forecasting feature is built into almost every indicator making it easy to use! If you are not familiar with Multi-Time Frames or Mirror Cycle forecasts come to our web site and learn more.

Multi Time Frame Indicator

Mirror Cycle Forecast

Multi Time Frame Indicator

4) Multi Symbol charts

Forecasting Made Easy 2012 has Multi Symbol Charts for Intra-Market Forecasting and Inter-Market Forecasting. These are some of the most intuitive yet underused forecasting methods. Forecasting Made Easy 2012 has built in Inter-Market features into most indicators. You can apply one indicator and have it calculate the same indicator for all the symbols on a chart. This makes Intra-Market and Inter-Market forecasting easier than ever before! To learn more about this forecasting approach come to our web site.

Inter-Market Analysis

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Real-Time and EOD

www.ForecastingMadeEasy.com

Becoming a Trader in Today's Markets

by Gail Mercer

Traders often come into trading with misconceptions. These misconceptions often take their toll on the account and on the psychology of a new trader and undermine any chance they may have had for success. This is why a proper understanding of trading in general, as well as the skills needed to run a trading business are so important to success as a trader. Some think that it can't be that hard because price either goes up or it goes down. Others believe that by simply adding a set of indicators to a chart they will become instantaneously rich with little effort. However, if they survive the first few years, they soon realize that trading is one of the most difficult professions in the world. While some traders blame the price bars on the charts or their indicator of choice, quite often it is their failure to take responsibility for their own actions that causes them to hemorrhage money.

At TradersHelpDesk we help you to discover how to stop the bleeding and how to start growing your account one good choice at a time. With our method you will learn to identify high probability moves within a chart and then zero down to a lower timeframe to trade within that specified price range, using a low risk-high reward entry methodology. We help you learn to focus on buying and selling equities at critical points of support and resistance or when the equity is at an area of overbought or oversold. We teach you how to then validate the potential price movement by combining volume and price action, with strict implementation of money management rules.

At TradersHelpDesk , we don't just sell you indicators with rules. Instead, at TradersHelpDesk we specialize in teaching you an "all encompassing" approach to becoming a successful trader. The THD method works for new traders, as well as experienced traders that have been unable to become profitable. Why? Our approach focuses on the six core components of becoming a successful trader:-.

1. Trading Plan: *Do you have one?*

2. Discipline: *Do you follow your trading plan?*

3. Money Management: *Do you manage your risk?*

4. Risk to Reward: *Do the trades you take have a potential for profit that is greater than the risk you are taking?*

5. Platform & Indicators: *Does your platform do what you need it to do to chart and to place your trades? Do your indicators work for you in helping you to predict a high percentage of winning trades?*

6. Trading Psychology: *Are you your own worst enemy or do you know how to call forth that part of yourself that will help you to be a successful trader in the heat of the moment on the live edge of the market?*

Trading Plan:

In order to be successful, each trader must design a plan that fits their personality, life style, and goals. Traders all have different reasons for trading and have different goals as well. Some traders still have day jobs and are only trying to increase their account size. Others have been laid off and need to generate replacement income. Traders also benefit from different chart timeframes depending on their personalities. Some need slower charts so they can process the information presented. Others need faster charts so they do not become bored and miss critical information. As with other core components, there is no one size fits all in trading plans (although we would all love to believe there is). Instead, trading success demands that each trader identify his own personality type, what his own goals are, and the path he or she will take in this new career.

In order to create a working trading plan, you as a trader will need education on your chosen indicator package. Failing to understand the critical components of what the indicators are "saying", results in confusion. For example, when using the THD ADX, a magenta peak indicates that a retracement to the average true range stop is imminent. Notice, I did not say magenta dot. This is because a magenta dot can appear, but that is not a peak. A peak is a "pointed top" and a magenta dot is simply displaying that the current value is less than the previous value. This is an example of a simple but critical detail in being able to trade a magenta peak versus having a losing trade because a magenta dot appeared that was not a peak.

At THD we understand what goes on in the mind of the typical trader both as he is in the learning phase and after he has become a more seasoned trader. After seeing the concepts and understanding begins, applying the knowledge on the live edge of the market often leaves the beginning trader frustrated and confused. They begin to ask questions: Are they applying the concepts accurately? Is there something they are not seeing or applying correctly? These questions can often be answered only by attending a live seminar where the students apply the techniques in front of an instructor. A webinar is a viable substitute for students that cannot travel, but webinars lack the personal attention of a live seminar. Instructors cannot "read" the faces to see if true understanding is achieved. Additionally, most webinar attendees lack the personal connection with the instructor and fear that they may ask a stupid question and choose to remain silent and, therefore, never fully understand the material presented.

Without the understanding of the concepts by which the indicators were designed, creating entry and exit points is predominantly a trial and error process. It is often during this period of trial and error that traders jump from one indicator package to another. This erratic switching of one indicator package for another occurs not because the indicators do not work but because the trader opted to forego training believing that they could pick up the concepts along the way. The equivalence of this approach is the same as if the trader had decided to become a cardiologist and then decided to read medical books on cardiology, without an instructor to guide them. Instead of years of practice on cadavers, they would opt to go straight to a live body to perform open heart surgery. In this scenario, it is easy to see that they would fail miserably. This may be an extreme analogy, but, for some trading is a life or death change. The great Jesse Livermore committed suicide after losing his fortune. Unfortunately, his suicide is not the only one attributed to trading.

Discipline:

After designing your trading plan, you as a trader must implement the discipline to abide by the rules designed in the plan. There will be many instances on the live edge of the market that will test your discipline as a trader. For example, what if the market moves violently, either up or down, and this does not allow you an entry according to your plan. Should you break your entry rules and simply jump in? There may be many days of losses Should you redesign your plan? Discipline means being able to abide by the rules, even when the rules dictate that you not enter when the market is moving. Discipline means being able to review your own performance with an impartial mindset in order to reveal your own weaknesses, as well as your own strengths.

Your trading plan should dictate how the performance review will be completed and how often you will review it. Of course, to do a performance review requires additional documentation. Recording of the trades with charts before and after each trade will help you as a trader to identify areas of strength and weakness. Recording the trade takes discipline. It is much easier to just take the trade and move on. However, this approach leaves you without the ability to take responsibility for what you are doing and, quite often, leaves you with an acceptable scapegoat for placing blame everywhere but at your own doorstep.

Money Management

As traders, we must realize there will be drawdowns. My experience with traders indicate they do not fully understand what a drawdown really means. Regardless of how great a trader may be, they will experience a period of losses. Sometimes the losses will last for a week or two and other times it will last for months. A drawdown is the cumulative total of money lost during this period trading. A trader that is risking a large percentage of their account will not be able to sustain their business during this period. Their account will dwindle to the point that there may not be adequate funds to pay the bills or to conduct business. For example, using a five thousand dollar account, a trader that uses only two percent of their account will be able to conduct one hundred and fifty negative trades before they can no longer trade (a hard feat even for a new trader). However, the trader that is risking ten percent of their account will only be able to conduct forty-four negative trades before they are no longer able to trade (basically one month of negative trades). This is why using only a small percentage of the overall trading account is so critical to trading success. The business owner must always look ahead in anticipation for the slow months (non-profitable) and allocate current revenue for those expenses. At THD we teach traders how to apply the concept of money management to their trading

Risk to Reward:

By using a risk to reward a trader can ensure that over time their profits exceed their losses. A minimum risk to reward would be for every one dollar of risk there is a minimum of two dollars of reward. By trading multiple contracts, a trader increases their risk to reward by taking profits at double their risk and then subsequent rewards at four or greater. By using a risk to reward that favors profitability, you as a trader can sustain losses and drawdowns without diminishing your profits substantially.

Platform and Indicators:

The fifth component to becoming a successful trader is choosing an indicator package and platform that you are comfortable with and believe in. For example, if you believe in the power of fibonacci numbers but then choose an indicator package that is based on moving averages, you will consistently question whether the moving average is accurate or question whether you are using the “right number” as an average. If you choose to use a particular indicator package, like TradersHelpDesk Platinum Package, then you will also need to be comfortable with using a Platform like TradeStation, Multicharts or NinjaTrader since indicator packages can be specific to a platform. You will need to devote a portion of your time to learning the applicable platform.

Trading Psychology:

The sixth component is by far the hardest and is a part of each component discussed so far. Understanding and controlling your own psychology is essential to your success as a trader. In our seminars, we discuss the significance of the brain as a thought generating machine. The brain generates thousands of thoughts every day. While in our daily life we may recognize and disregard some of the irnal thoughts; however, in the solitude of our trading environment, we often give them power.

To have a loss allows us to believe that we are a loser. To not take a trade that proved to be profitable gives power to the thought that we are stupid. When we have a winning trade, we believe that we are nothing short of genius….until the losing trades resurface. Of course, after a series of losing trades, we are more than willing to take profits at the first sign of green in our trading matrix. Why? This is what happens when we give each and every thought power, regardless of whether it is accurate or not. By failing to track our trades and create snapshots of them, we fail to arm ourselves with the ammunition to overcome these harmful thoughts. By failing to arm ourselves with the knowledge and facts, beforehand, we are only ensuring our own failure as a trader. By using proper discipline to track our trades and create snapshots of them, we succeed in arming ourselves with the ammunition to overcome these harmful thoughts. By doing so, we take control of our psychology and of our trading.

In summary, there are six core components to becoming a successful trader:

Each trader must develop a working Trading Plan that is consistent with their goals as a trader

Each trader must find within themselves the discipline to follow their trading plan.

Each trader must use proper money management techniques to allow for inevitable losses and drawdowns.

Each trader must insist on a reasonable risk to reward on each of their trades.

Each trader must find a platform and learn to use it. Each trader must also learn their indicators and understand what it is that they are telling them.

Each trader must overcome negative thinking by tracking their trades and thus providing themselves with the ammunition that they will need to take control of their own psychology.

Each of the core components are important and must be developed by you as a trader. Each trader has different goals for trading and each has a different personality and psychology. There is not a one size fits all trading plan or platform. At TradersHelpDesk we realize that each and every trader is unique and must be helped to discover what works best for him or her. This is our goal and our focus.

www.TradersHelpDesk.com

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Never Loss Trading Review

By Larry Jacobs

One of the speakers at the Traders World Online Expo #12, Thomas Barmann of NeverLossTrading.com gave an excellent presentation and I was impressed with it. If you are a premium member of Traders World, you can access the archives of www. TradersWorldOnlineExpos.com and access and listen to it. The title, Never Loss Trading is interesting. That is, of course, what all traders strive for is to not have any losses in trading.

I was curious and wanted more information so I contacted the owner Thomas Barmann. He has several mentorship products to teach how to trade profitably in this difficult market. The product I was most interested in was the NLT HF-Stock Trading program. So Mr. Barmann agreed to give me a complimentary private mentorship to the NLT High Frequency Trading program, for this review in Traders World.

The NLT High Frequency Program consists of at least 20 hours of training, I received 8 hours of private instruction using a private online interactive conferencing system. I think I actually received more than 8 hours.

2. NLT Top Line Signals

Top Line Signal	P/E Ratio	Evaluation	Sector	NLT Indicator	NLT Secondary Indicator	Last	Daily SPU	SPU to Last	Move to SPU
DIS	1	Temp High	Amusement	Top Line	Vol D.	$ 57.39	$ 0.83	1.4%	129%
HD	23	New High	Building Ma	Top Line		$ 71.37	$ 1.50	2.1%	75%
DTV	1	DB (x)	Communica	Top Line		$ 50.08	$ 0.87	1.7%	97%
BK	1	New High	Depository	Top Line		$ 28.52	$ 0.53	1.9%	96%
STI	8	Gap	Depository	Top Line	VolD. Moment.	$ 29.35	$ 0.62	2.1%	127%
CMA	14	New High	Depository	Top Line		$ 36.29	$ 0.79	2.2%	123%
C	19	New High	Depository	Top Line		$ 46.68	$ 1.25	2.7%	134%
MRVL	12	New High	Electronic a	Top Line		$ 10.69	$ 0.32	3.0%	100%
HIG	39	New High	Insurance C	Top Line		$ 25.45	$ 0.66	2.6%	167%
LNC	7	New High	Insurance C	Top Line	Vol D.	$ 33.00	$ 0.91	2.8%	151%
AFL	8	Reversal (x)	Insurance C	Top Line	Vol D.	$ 50.14	$ 0.95	1.9%	151%
NE	17	DB (x)	Oil and Gas	Top Line	HF + Vol D. Early	$ 35.85	$ 1.10	3.1%	92%
BX	48	New High	Security an	Top Line		$ 19.63	$ 0.50	2.5%	116%
GS	11	Reversal (x)	Security an	Top Line	HF + Vol D.	$ 152.98	$ 3.88	2.5%	94%
RCL	416	New Low (x)	Water Tran	Top Line		$ 33.31	$ 0.84	2.5%	124%

4. NLT HF Dark Green

Select HF Movers	P/E Ratio	Evaluationg	Sector	NLT Indicator	NLT Secondary Indicator	Last	Daily SPU	Daily SPU to Last %	Move to SPU
VALE	n.a.	Down Reversal	Metal Minir	HF		$ 18.63	$ 0.63	3.4%	76.2%
INTC	10	Down Reversal	Electronic a	HF	Vol D.	$ 21.58	$ 0.43	2.0%	72.1%

Chart 1

The first thing was I needed to do was to open a Think or Swim account. Then Mr. Barmann installed his special custom charting software on the charting program in my account. One nice thing I liked about Think or Swim is the charting program is free and also there are no exchange fees!

By the way Mr. Barmann is an experienced trader with over 30-years of trading. He is also an excellent programmer with the Think or Swim platform. His software is quite different from anything I have ever see before. It includes the following indicators:

NLT Candles
NLT Speedometer Box
NLT Light Tower Candles
NLT Price Volume Studies
NLT Double Decker
The NLT Box
The NLT Wave
The NLT Price Gravitation Lines
The NLT Purple Zone Indicator
The NLT HF Indicator
The NLT Tome and Bottom Finder

The NLT High Frequency Trading program s designed to trade short term of 1-5 days striving for trade returns of less than 3% and option returns of above 30%.

Mr. Barmann teaches you clearly defined entries, exits and stop levels. You are send NLT-HF Opportunity Reports usually daily. See Figure 1 which is only part of the report. The report gives you the NeverLossTrading signal alignment. This report and using the NeverLossTrading charts that you have in the Think or Swim platform so you can qualify potential trading situations. All of the NLT indicators are proprietary and can only be obtained by subscribing to the mentorships of NeverLossTrading. The report gives you:

1. The S&P Sector Development and you can see the daily direction of the sector and any changes thereof.
2. The NLT Top Line Signals
3. NLT Early Trend and Reversal Potentials
4. NLT HF Dark Green
5. NLT HF Light Green

From this you can see the strong sectors first and then pick the stocks with the best potential for the next 1-5 days. The sections give you the P/E , evaluation of the trend such as for example double top, double bottom, cup, threshold, new high, etc. You can also see the stock's sector, the NLT Secondary Indicator, the direction, momentum, trend and NLT Focus Indicator.

Mr. Barmann teaches you how to go through the NLT-HF Opportunity Reports and then go to your own NLT Daily charts in Think or Swim and pick out the ones with the best potential using the NLT indicators.

Personally, what I used in the review was the NLT Top Line Signals, The NLT Early Trend Reversal Points and especially the NLT HF Dark Green signals. My favorite and the most reliable were the NLT HF Dark Green bubble signals.

It is difficult to explain all that Mr. Barmann taught me in the private mentorship in 8 hours in on small review in this magazine, but here is the just of it.

You first look for what happened in the world markets, especially the German dax index. Always try to go with the international trend. Then look at the signals given in the daily reports. I personally liked the dark green buy or sell bubbles.

Next go to the Think or Swim charts and see what the NLT indicators are saying. View the previous earnings of the company and volume and the overall pattern of the stock.

Using the price entries given by the NLT report you generally enter your orders right away in the market, if the price levels are hit. Then you put in your objective price and stop. Generally the profit objective should always be 2 to 3 times more than your stop loss.

Look are your charts and make sure you are not against any resistance or support areas that the market needs to surpass.

You should also take at least 2-3 stock picks to place your orders in. It is recommended to possible have for example 2 longs and 1 short for the day.

Also try to use stocks that have institution interest. What this program really tries to do is to go and ride with the institutions. Mr. Barrman instructs you that institutions are smart and they have better information than you or I have about companies earnings, outlook and direction, so just ride with them.

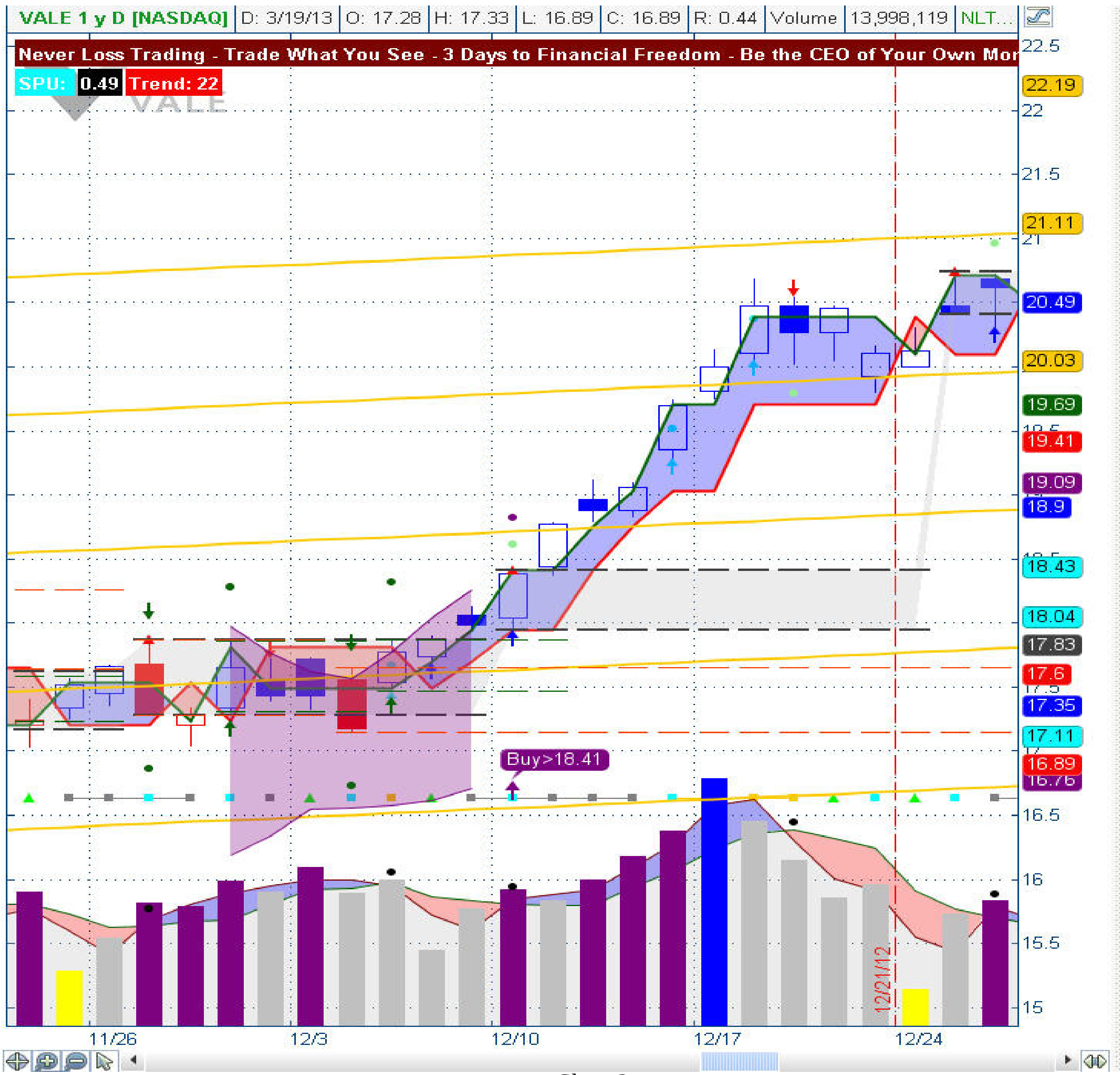


Chart 2

If possible, you should avoid stocks without institutional interest or stocks affected by commodities such as gold, silver and oil. If you do trade them then you should make sure with a comparison spread chart that they follow their commodity counterpart. Also avoid most ETFs as they don't have the institutional pressure on them as stocks do.

Margin is also an important part of this trading. For day-trading you can increase your number of shares and therefore your profit. For longs in a margin account you need only put up 50% and shorts only 30% for day-trading.

There are two ways to handle a trade that your are in. If you are still in the market at the end of the day and have not sold on your objective sell order and have been hit by the stop then liquidate your position before the close of the day. This eliminates overnight risk. If you are still in the market and feel that your objective will be hit within the 5-days, then stay with the position and keep your stop in.

Now look at Chart #2. There was a buy purple bubble on 12/10. First notice the bars on 12/10 were blue indicating the trend is up. red bars means the trend is down. Also notice the parallel yellow lines are a big channel with the trend up. Also notice the volume before 12/10 was low indicated by the grey bars. On 12/10 the purple volume line indicated institutional increased buying. The 7-days before 12/10 were in a purple outlined area. That means there was indecisiveness in the market and should not be trading. On 12/10 that ended. The buy on 12/10 was at a price greater than 18.41. But notice that chart had a block resistance at about the same level. So that meant that the market needed to exceed the resistance of the block to get to the price objective. The price objective is noted by the purple dot. The next day the price did exceed the block resistance so it should have been bought. That day nearly made it to the price objective. The third day it finally made it and in fact exceeded it.

Notice the band around the prices green line on the top and the red line on the bottom. If you are long your stock should be below the red line for protection.

As a strategy, you might just take out just part of your profits when the market hits the purple dot objective, but keep the rest of your position until it is stopped out putting your stop under the red line. In this situation the market make it all the way to the 20.03 area in the next week before being stopped out, so your profit would have been much higher than just selling out your whole position at the purple dot objective.

Options are also another big part of this program the Mr. Barrman teaches you about. The 8 hours of instruction given to me were not long enough to go into that area in detail that you would normally get with this program.

I was very impressed with NLT High Frequency Program presented with the private mentorship by Mr. Barmann of Never Loss Trading. Mr. Barmann is very experienced in trading and has a lot of knowledge of the market. If you are interested in a short term mentorship trading program and you want to trade stocks during the day and are interested in short term trading by opening positions and holding them from 1-5 days then I would highly recommend this program. For more information go to www.neverlosstrading.com

Who Can You Trust in Stock Market Predictions?

By Gilbert Steele

I called the low of the Dow-30 to 12700 and up12/14/2012. See Traders World #53 issue.

My opinion is on 4/5/2013 the Dow-30 going down. The Dow-30 long term upside is looking at 14700.00 now.

http://youtu.be/BmY-IbzX16Q

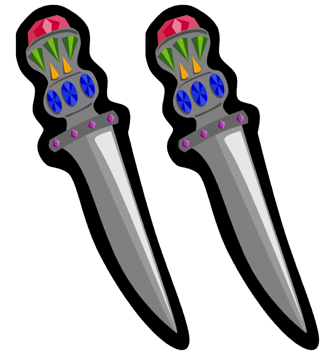
I would like to quote Mr. D. W. GANN. January, 1936. Every movement in the market is the result of a natural law and a cause which exist long before the affect takes place and can be determined years in advance. The future is but a repetition of the pass, as the Bible plainly states: **“The thing that has been, it is that which shall be; and that which is done is that which shall be done, and there is no new thing under the sun.” Ecclesiastics 1:9.**

Everything moves in cycles as a result of the natural law of action and reaction. By this study of the past, I have discovered what cycles represent in the future. January, 1936

“My research goes back 30 years in charts to prove this.” Gilbert Steele 3/1/2013.

Gilbert Steele email: gsteele101@neorr.com

How To Catch Knives



By Brian Lund

When I was first approached by Traders World to write an article about a setup or technique I use to trade with, I immediately thought of bases. Not the kind you round after hitting a game winning home run in the bottom of the ninth for little Timmy Turner who is suffering from terminal lock-jaw and watching from his hospital bed. No, the kind of sideways consolidation in a stock that provides a solid "base" from which to make its next move. Those are some of the best and most reliable types of setups to trade from.

Then I thought I might as well write about the history of salt, which would probably be equally as boring as writing about bases.

In the markets you want neither excitement nor relaxation when you trade. The best and most profitable type of trading is the kind that is methodical, repeatable, and boring. It's like using shampooing your hair--lather, rinse, repeat. If you do it correctly and consistently you will build your account value quickly and have shiny manageable hair as well. But when you are reading about trading you don't want boredom. You want excitement. So I decided that I would write about how to catch falling knives in the market; or put another way, how to trade a reversal on a stock that has been dropping dramatically.

Yeah, go ahead....act appalled.

"Catching knives you say? Why I've never heard of such an irresponsible thing spoken of by any serious trader."

Okay, give me a break. Go tell that to your trader friends and chat room buddies. How you only want to hear about base breaks, double bottoms, the drunken salaryman doji, and other "respectable" trading setups. But I know that deep down, in places you don't talk about at parties, you want to learn about catching knives, you need to learn to catch knives. And the truth of the matter is, if you learn to catch them in the way I am going to outline, your trades will have very limited risk and a high percentage of profitability.

The key to a successful knife catch is to look for these five criteria before entering the trade.

There has to be an "aggressive" downtrend preceding the signal candle.

In fact, the more violent and bloody the better.

You want consecutive red bars, breaking support levels, and ideally outsized in nature, that stand out dramatically in appearance from the average bars in the rest of the chart. These should be brutally ugly bars, the type that make you sit back and say "wow, what a blood bath."

The length of the down trend needed depends on the time frame in which you are trading. If you are a swing trader then you would want weeks or even months of downtrend in order to satisfy the criteria. However, if you are a day trader, you might only need a fifteen minute downtrend to qualify. The timeframe is not as important as the character of the bars in the downtrend.

You want to see a large volume and price spike on the candle before the signal candle.

This is key because it usually means that the last group of longs who have been holding out against all hope are finally "throwing in the towel" en masse. This is the "blow-off" bottom bar.

The ugly bars and increase in volume prior to the blow-off bar is telling you that stops are getting hit (or jumped over), and that people are starting to panic. Their selling begets more selling and (hopefully) culminates in this blow-off bottom where all sellers will be (temporarily) exhausted. You will know that you have gotten to that point when you see a massive volume spike on a five-minute chart.

There are no hard and fast rules as to how much volume is needed in relation to the average to signify that this blow-off bar has arrived, but what you want to look for is a bar so outsized in terms of volume that it will re-scale all the previous volume bars (see below).

See Chart "Air One"

Chart "Air One"

The "aggressive" down trend is very much apparent in this chart of AIR. Note the level of highest volume (indicated by the light blue line) over the last nine months.

See Chart "Air Two"

Now notice how the large outsized volume bar comes in and literally re-scales the volume chart. The light blue line that previously indicated the highest level of volume is now compressed down in relation to the blow-off volume bar.

The signal candle should ideally be a green hammer or a narrow doji.

Personally I prefer a green hammer as the mechanics that create that type of candle are more conducive to a short-term bottom having been put it, but a narrow doji, due to its small range, can make for a great risk/reward signal candle as well.

See Chart "Air Three"

A narrow doji is formed after the blow-off bar.

In either the case of the hammer or the doji, what they are indicating is that after the blow-off volume spike, sellers have exhausted themselves, at least temporarily, and are

Chart "Air Two"

not able to move price down any lower. This means that price can move up rapidly if new buyers step in, even on relatively low volume, because there are no sellers left.

The signal candle should reverse optimally in / at a previous support level.

Often times when you are trading this type of setup on a swing trade basis you are going to find the blow-off candle at fresh lows, but shorter term, especially when day trading, you want to look for support levels to key off of to find the signal candle. Support levels not only provide a range where new buyers may step in, but also represent a completed target area where short sellers will often start to cover their positions.

See Chart "Hammer Trade"

In this example with AAPL on a 5-minute chart you can see how both the blow-off candle ended and the signal candle formed right in a gap support area.

The overall market direction should be up, flat, or slightly down.

Trying to catch a reversal hammer when the broad market is down big on the day is a losing game. What we are looking for are extreme movements in an individual stock in a normal or positive overall market, because that gives us better odds that buyers will come in after the blow-off bar, opposed to when the market in general is tanking and participants are either selling or sitting on the sidelines.

Remember, the chances that this set up will work increase with each successive criteria that is met. For example, you might have an aggressive down trend and a proper signal candle that reverses at support, but without the blow-off volume/price spike, or if the market as a whole is in free fall, more likely than not your trade will fail.

Managing the Trade

Once the criteria has been met and you are ready to trade this set up, there are also a few more rules to help ensure success and limit your risk.

You will place a buy stop (or buy stop-limit) order just above the top of the signal candle

Chart "Air Three"

Chart "Air Four"

(hammer or doji), and your stop-loss order just below it. This is your risk, and you only want to enter on this setup if you have a minimum of a 1:3 risk/reward , meaning if you are risking one dollar you want to be sure that you have a reasonable target that will net you three dollars.

That target on a swing trade will generally be the nearest resistance point or pivot point, and is the same for shorter term trades. However, with day trades you can often use a five or nine period EMA to determine your exit point as well.

See Chart “Air Four”

Price moves up after the blow-off bar and doji, in this case completing a morning star reversal pattern, and hits the first pivot high level.

But like with all things trading, no matter how much we try to quantify our rules, there will always be some amount of “art” needed in addition to the “science,” and that comes into play when exiting a “knife catch” trade.

What I have found is that the more aggressively price bounces after the signal bar the less likely the blow-off low is to hold. Because of this, I will almost always sell a partial position into an initial rapid move up, because that allows me to lock in a profit and give the stock more room so I can better determine if the bounce will be sustained.

I much more prefer a strong but orderly move out of the reversal area. These measured moves tend to gain more momentum as new buyers get emboldened with each successive uptick and come back into the stock, giving you a better chance of the move lasting past the first target point.

See Chart “Air Five”

Once the first target was meet, selling a partial position would have allowed you to use numerous other criteria (the 50SMA for example) to stay in the trade for an eventual exit at the gap resistance.

There is one extra “secret” I will leave you with regarding finding your entry into a knife catch trade. I put it at the end because there is no way you can actually quantify it, it’s something you can only understand if you have years of trading experience.

Chart “Air Five”

Chart Hammer Trade

Back before advances in technology, when all trading was done via face to face interaction, often in "pits," one of the ways that seasoned locals knew a market was going to turn was to watch the fear and panic levels of the participants. And let's be honest here, that really means the fear and panic levels of the newbie participants. Those old pros could sense blood in the water and knew the bottom was near when inexperienced traders were in the most pain and cried the loudest. Once they gave in and sold their positions that was usually a sign that a reversal was coming.

As trade data began to be delivered to us in real-time, price and volume, and the speed and size of their movements on our screens became the surrogate for the fear and panic of the pits. Now social media has added another tool to with which to gauge the actions of the novice trader and help you find the reversals.

When I hear the cries of the wounded traders on Twitter, StockTwits, or in chat rooms who are following these knife catch candidates start to rise to manic levels, it is time to begin looking for the five criteria I've spoken about to see if a valid setup is about to occur. You would be amazed at how often the timing is spot on and the first person who is able to make a quantified indicator out of this phenomenon will be the most successful trader ever.

Brian Lund is the co-founder of Ditto Holdings Inc., parent company of Ditto Trade (www.DittoTrade.com), a licensed broker dealer and author of "Trading: The Best of the Best - Top Trading Tips For Our Times" which you can download for free by visiting his blog at www.bclund.com

Trade Gaps Like An "Old Pilot"

by Scott Andrews

Flying Lessons can Help Gap Traders Avoid Crashes Trade Gaps Like An 'Old' Pilot

As a helicopter pilot in the Army, I had an instructor who used to remind me before each flight, "*There are old pilots and there are bold pilots. But there are no old, bold pilots*." I don't know if he was commenting specifically about my flying style, but I do know that this simple saying has served me well over the years as a "gapper" (a person who trades the opening gap as his primary setup).

When I first started trading, I was simply looking to make above average returns with the least amount of time and effort. Like many with similar goals, I decided that "swing trading" (i.e. attempting to capture short-term moves in the markets that last several days or weeks) was the right approach for me.

And how right I was. After my first year, I was sure that legendary trader Paul Tudor Jones would be calling me in the near future to offer a job as I had exceeded even my own lofty goals. Soon thereafter I realized that I was an idiot for having such thoughts. I had given back most of my first year's profits in only three gut-wrenching months.

Like a good pilot, I decided that a thorough "accident investigation" was needed to determine what had gone wrong and how to ensure it never happened again. The analysis was revealing: I was using too much discretion in every facet of my trading: trade selection, entry timing, and stop and target placement.

The reason was simple: I had no historical data supporting my decision-making. As a result, my inexperience, fear of loss, and competitive personality all conspired to cause me to do the exact wrong, thing at the worst possible time, over a string of consecutive trades. Worst of all, it wasn't clear what would keep this from happening again.

So I "grounded" myself and regrouped. I needed a new trade setup that could be rigidly defined so that it could be traded with minimal discretion and so that it could be back-tested. Without testing and identifying the optimal targets and stops for my trades, and without having realistic expectations regarding win rates and draw-downs, I knew I would continue to over-think and tinker with my trades. In essence, I needed a setup that replaced "me" with "math."

Ultimately, I realized that the opening gap trade might be the answer for me. It was simple to learn (didn't need years of experience learning to trade it), it occurred daily, the entry and target were easily defined, and it could be easily back-tested. Plus, there was no overnight risk - something that always bothered me (and my sleeping) as a swing trader. It was love at first sight and without question, the decision to focus on the opening gap is the single best decision of my 10 year trading career.

The two keys to my gap trading success were learned while flying for the military: don't fly too close to the trees (use big enough stops to stay out of harm's way), and don't fly in the clouds (avoid the riskiest setups).

Opening Gap Basics

A price gap is the difference between a security's price at the beginning of a session versus the closing price of its prior session.

For equity-based indices such as the S&P 500, Russell 2000, NASDAQ 100 and Dow 30, this corresponds to 9:30 am – 4:00 pm EST.

During the overnight hours, a multitude of events including economic reports and earning announcements from around the globe cause market prices to move away from the prior day's closing price, thus creating the a "gap" or open area on a price chart between the opening price and the prior close.

Opening gaps in the equity indices are especially prone to retracing back to their prior session's close i.e. "filling". Unlike an individual stock, their diversity makes it more difficult for a single piece of news or event to sustain that opening move for the entirety of the trading session. In fact, ~ 70% of all opening gaps in the indices have filled the same day that they were created during the past 10 years. See **Exhibit A** for an example of an opening gap in the S&P 500 that filled.

Exhibit A: Example of opening gap (SPY)

Exhibit A

Day traders seek to profit from the strong, historical, intraday bias for most gaps to fill by "fading" the gap (i.e. trading in the opposite direction of the opening move), attempting to capture sizable moves in short periods of time. Many swing traders and other longer timeframe market participants focus on trading in the direction of the opening gap attempting to get positioned for the beginning of a new trend or continuation of an existing one.

Success Key #1: Don't fly too close to the trees

With gaps having such a proven bias towards filling, you might think that it would be easy to profit from trading them. However, the paradox lies in the fact that a stop loss must be used in order to protect profits from the 30% of gaps that do not fill (and that often move aggressively in the opposite direction of the gap). You may profit from a series of smaller gaps that fill successfully, only to watch that one gap continue running away, taking your profits right along with it.

Thus, trading gaps poses a difficult dilemma: *what size stop loss should be used?*

There is a combat flying technique called "nap-of-the-earth." For helicopter pilots, the objective is to fly as close to tree top level as possible in effort to minimize your risk of being seen. I remember my first attempt at this somewhat challenging technique. I skimmed the tops of the trees, at times literally dragging my skids through the Alabama pines. In my mind, I was impressing my instructor with my "Top Gun" skills. Increasingly confident, I flew closer and faster, until suddenly the instructor screamed in the mic, "*The objective is to fly close to the trees, not in them!*"

Many traders treat their gap trades like other day trades, with tight stops, in an attempt to minimize the size of the loss in the event the gap does not fill quickly after the open. But in doing so, they increase the probability that they are going to "hit the trees." When setting your stop, bigger stops (at least 30% of the 5 day Average True Range) avoid post-opening volatility and allow historical probabilities to work.

Though somewhat counter-intuitive, using bigger stops does not reduce your overall profitability. If the stop is too tight (i.e. small) then the trader risks being stopped prior to the gap filling. While the size of the average loss does increase with the use of bigger stops, it helps me maintain a win rate of 65% - something that is important for maintaining my confidence and trading discipline.

Success Key #2: Avoid the clouds

With such a high probability of filling, many traders fall into the trap of trying to trade all opening gaps. However, I have found over the years that the best return on my time and capital is to focus on identifying those gap fade setups that are least likely to work (continuation and breakaway gaps) and to simply avoid them.

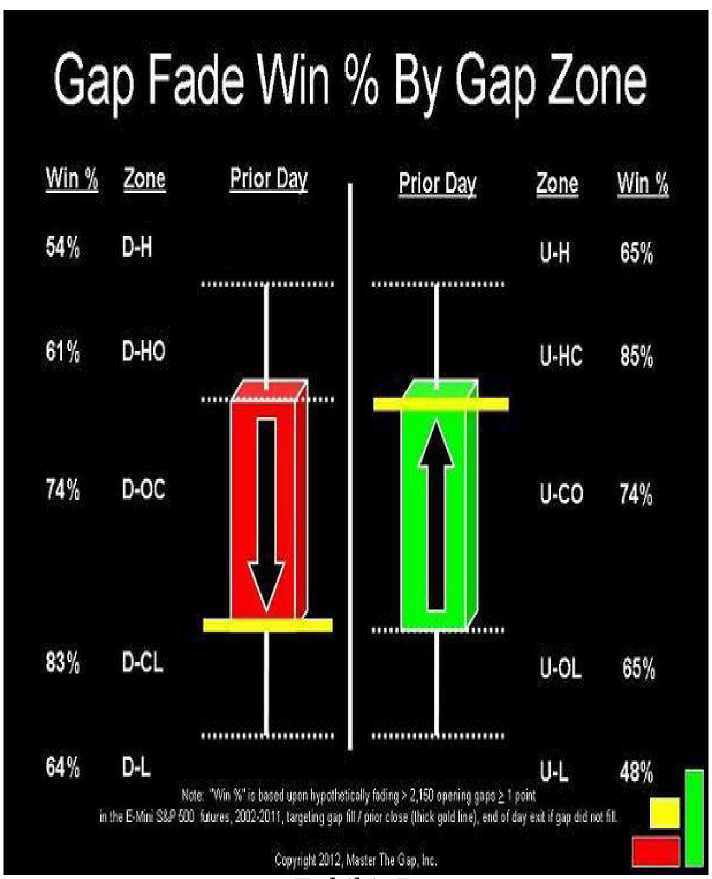


Exhibit B

The gap trade selection process for many is often based upon limited and unreliable information such as one's interpretation of the cause of the gap, or perhaps the low volume price patterns formed by the overnight action. However, many would be well served to consider the *location* of the opening gap before deciding whether to trade or not.

Depending upon where the index opens relative to its prior day's open, high, low and closing prices (O,H,L,C) will dramatically influence its probability of filling. By using these four important price levels and incorporating the prior day's direction (up or down), you can create 10 "zones" – each with its own historical probabilities. With history on your side, you can better identify the riskiest gap setups while capturing the most probable winners. See **Exhibit B** for the 10 year results of fading the opening gap in the S&P 500, targeting gap fill, and exiting at end of day if gap did not fill.

Exhibit B: Historical gap fill odds by opening zone, S&P 500, 10 years.

Clearly, gaps that open in the D-H and U-L zones are much riskier than average and should be avoided by high probability traders.

Summary

The next time you consider trading the opening gap, and the setup looks a little cloudy, remember that the silver lining that you see might be the fuselage of another aircraft. And if the sky is blue and you are ready to fly, just be sure to keep your skids out of the trees. Good gapping! www.masterthegap.com

The Holy Grail – It's Not What You Think!

John Matteson
www.mtpredictor.us

Since trading began, traders have looked to find the one method or system that never loses. They have searched high and low over the decades for the elusive holy grail of trading but to no avail.

Most new traders (and even those who manage to hang around a while) will bounce from method to method and system to system in this search for the grail but will never find it. They find a new method or system that has promised them 80, 90 or even 100% winners which they may deliver on yet the trader still seems to find his/her account worth less as each trading day passes. Or, instead of the promised high win percentage, they experience 3 consecutive losses which is the trader's cue to begin looking for the next system or method.

A number of years ago, I purchased some of these products . I would test them over a certain period of time and then write a review of my results and publish it on my blog. I found one such system that promised 100% winners. The developers claimed it had not lost a single trade in 8 years! If ever there was a holy grail, surely

Chart 1. Anatomy of a Holy Grail.

this was it. When I back tested the system, I found this to be true. It had not lost a single trade in 8 years. As you may have guessed, the wins were tiny as is the case with most high win percentage systems. The problem with these systems is that the inevitable big losses come and wipe out all the gains. Well, this system was no different. No sooner had they launched their product, the very first trade it produced was a loss so big it wiped out nearly 8 years of small gains.

Now, you might think that I'm going to tell you that you need to give up on finding that imaginary holy grail and instead start reading some serious, no BS trading books instead that will teach you about risk/reward, position sizing and money management. Well, that would certainly be a good start but I'm actually not going to tell you to give up on your search for the grail. What I am going to do instead is to suggest you shift your paradigm a bit in your search. Instead of looking for something that wins 100% of the time, let's pursue this from a different angle. Let's look for the grail in terms of risk and reward. In other words, how about finding something that provides us with the lowest risk while simultaneously providing us with the highest reward. Wouldn't that be a holy grail worth pursuing?

Anatomy of a holy grail

Let me introduce you to one of the lowest risk, highest reward trades in the book. Now, I can't take credit for this setup. That credit goes to MTPredictor developer Steve Griffiths who had a little help from a couple of fellows named Gann and Elliott. The setup is aptly named the Holy Grail Trade Setup. Let me take you through the critical parts of this setup and then show you several examples.

First, we need to identify where the larger degree support and resistance areas are. R.N Elliott wrote about the need to have a starting point from which a potential new trend may develop – a major high or low to work from. These areas are actually not just simple support and resistance areas but also areas where we anticipate that professionals will look to buy and sell. This is typically different than the simple support and resistance areas that a retail trader might have on his chart.

We typically will look to a time frame that is 3-5 times larger than the one we will be trading from. So, for example, if we typically trade off a 3 or 5 minute chart, we will use the 15 minute chart to map out our major support and resistance areas. If you trade off the daily chart, you would look to the weekly chart to map out this support and resistance and so on. The setup is fractal so it will unfold in any market and time frame.

The MTPredictor software has a built-in tool called the Decision Point that we use on the larger degree time frame to map out our major support and resistance areas each day. These Decision Points are leading indicators and on the chart ahead of time and before price gets there. This allows the trader to anticipate a Holy Grail trade before it potentially unfolds.

If price does come into our major support or resistance area, we wait to see if we get an impulse move away from that support or resistance. If it does, then we begin to look at this impulse move as a potential wave 1. In other words, what may be unfolding is the end of one trend and the beginning of a new trend in the opposite direction. We know the impulse move is complete when it begins to correct. Remember, Elliott said the best time to buy or sell was after an important low or high. Our important high or low is defined by our Decision Points. Gann also said the best time to buy or sell was after the first correction from a major high or low. Elliott later said the best time to buy or sell was after the first abc correction off a major high or low. This leads us to the next important step.

Once price has come into our Decision Point and has made it's wave 1 impulse move away, we wait to see if the first correction unfolds as an abc pattern in what will potentially be wave 2. This, in effect, will be the first pullback or throwback in a new trend heading in the opposite direction. If that first correction unfolds as an abc in wave 2, we will be ready to strike. Our goal now is to project, in advance, using the MTPredictor Wave Price Targets, the typical wave 3 target. In Elliott wave theory, wave 3 tends to be the largest impulsive wave. This means we have the opportunity to set up a trade in this wave 2 area with a small, controlled risk. Since wave 3 tends to be the largest wave, the reward side of the equation tends to be quite large.

In the example in chart 1, we can see the 15 minute Decision Point resistance plotted on this 3 minute chart of the YM. This is the starting point. Next, the impulse move away from the DP can be observed (wave 1) followed by the first abc correction to that impulse move (wave 2). At this point, we would look to set up a trade to sell the YM at 13,993 with a stop at 14,000. In this example we are risking a maximum of $400 or 2% on $20,000 of risk capital. This means we can trade 11 contracts with a small controlled risk. Wave 3 is projected as our initial target and we see, based on this, that the reward side of the equation is 6 times our initial risk. So, if we are risking $400, we can take out $2,400 if we reach the typical wave 3 target. You, hopefully, can see why we refer to this trade as the Holy Grail. It is a very low risk trade that typically comes with a very large reward.

Chart 2. Competition Holy Grail Trade.

Case in point

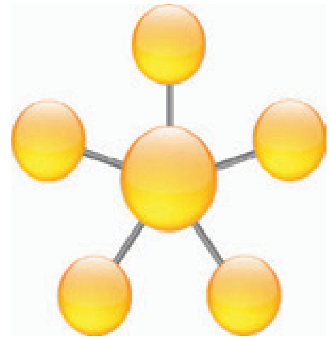
In 2011, I had a phone conversation with a gentleman who was looking to try something different in his trading. He was with a service at the time that promised him 80% winners. He said he was achieving 80% winners as he was promised. The problem was that he was still losing money! He was attracted to MTPredictor because the software basically did the opposite of what he was doing, which was having small wins and big losses. He though that maybe by doing the opposite, he would have better results. This gentleman purchased the software and learned this Holy Grail setup because it was the extreme opposite of what he was currently doing in his trading. After learning the setup over a period of only 2 months, he gained enough confidence to enter a trading competition against 245 other traders, some of whom were professionals.

Over a two week period of focusing on Holy Grail trade setups in several different markets, he ended the competition with a win rate of only 48% but his average winner was a whopping 4.8 times the size of his average losing trade! This put him in the top 10 out of 245 contestants. This experience completely changed his trading and helped him to turn the corner to success. See Chart 2 Holy Grail trade taken during the contest.

The bottom line

Instead of searching endlessly for something that doesn't exist or giving up entirely, it may benefit the struggling trader to change his or her perception as to what really constitutes a holy grail in trading. I suggest the trader seek low risk trades with high potential rewards. You will not win all of your trades, so stop trying. Instead, look to control your initial risk to keep it small. Then look for the kind of rewards that the MTPredictor Holy Grail provide and see how this can completely change your trading!

Multiple *Cycle* Frame Trading



by Lars von Thienen

The advantages of applying multiple timeframe analysis when using technical indicators are well documented. When signals from a higher and lower timeframe concur, the effectiveness and probability of technical signals increases considerably.

When we add cycle-based analysis to our trading arsenal, we can add another multiple chart frame technique which is very similar to the multiple timeframes approach.

Cycles are not only manifested in the form of time. A number of cycles are important during trading. Our time-based charts only provide the time-based view on cycles. By applying cycle analysis tools to the price chart, we try to detect dominant time based-cycles and aim to identify the expected change in trend based on time.

The change in trends (CITs) that are evident on the price chart during an intraday session are not attributable to time-based cycles only. That is an important as well as compelling factor why you will not be able to spot most CITs by using cycle tools on a time-based chart.

A new trading technique emerges if we combine time-based cycle analysis with other important market cycles. One of the most important forms of cyclic behavior, especially on intraday future charts, is volume. If you look at one single day, there is a fixed amount of money or "traders" that try to move in and out of the market. For example, if all market participants are fully invested on the long side based on the available volume, the market will decline, regardless of signals or not from the time-based technical analysis. There is no volume left to push the current condition any higher. Volume tells us that we will see a drop before the market can start growing again. Such of signals are only perceptible when you can find, detect and project the dominant cycle in terms of volume currently available for trading.

First, to apply this form of volume cycle analysis, we need a volume-based chart rather than time-based charts. A charting tool which allows plotting the chart as a volume-based chart is needed. This implies that each bar contains a fixed amount of volume. A new bar will be plotted if the traded volume moves beyond the volume cut-off level allowed for each bar.

Second, a charting tool is necessary which allows the detection, monitoring and forecasting of the dominant cycles which represent the underlying force of the plotted price movements. A dominant cycle forecast on a volume chart gives you some idea about future turning points with reference to the next bars. But these future bars do not refer to time in the future – these projections refer to an amount of volume traded at a point at which the next turning point might be expected. Even if the charts of time- and volume-based bars look similar in terms of their visual form – they measure and plot two entirely independent factors: time and volume. Volume charts are an ideal form of applying cycle tools because volume cycles play an important role, especially on intraday charts.

Let's look at an example of how to combine cycle signals on time- and volume-based charts. First, we will only use one cycle tool: the Cycle Swing Indicator (CSI). This indicator measures momentum based on the current active dominant cycle instead of using the raw price data. It detects the active cycles and uses the accelen of the underlying dominant cycle to indicate momentum. This results in an ultra-sharp, non-lagging and smooth momentum indicator based on cycle analysis.

The next chart illustrates this cycle analysis technique on a volume chart of the eMini futures during one full week from February 11 to 15. Each bar holds a volume of 15k. The derived trading signals are marked on the chart based on divergence and extreme turns of the cycle swing indicator. This indicator can, in particular, be used for divergences because it is a leading indicator which is sharp at the turns and smooth during noisy periods. This characteristic is not available among standard indicators which usually make trading of divergences impossible when using normal indicators. By applying the CSI, the divergence is typically seen 1-2 bars before the turn unfolds its force. See Chart 1. The trading signals are marked on the chart with arrows and the time they became visible.

As shown on the chart, an important move followed in the proposed direction after every signal. This already is evidence of the potential of cyclic analysis based on pure volume charts. We can now see the turns expected on the dominant volume cycles. The divergence indicates at which point the volume flow must move in the other direction to resolve the current volume extremes – in such situations, price will simply follow the volume. Traders must therefore switch from long to short positions to free enough volume to let a new up-move unfold. Without the possible volume for a new long position, price must decline first – and vice versa. This is a very important cycle which should be followed on volume-based charts.

Another important cycle that can be measured is based on price alone. Besides volume- and time-based cycles, each instrument follows its intrinsic price pattern.

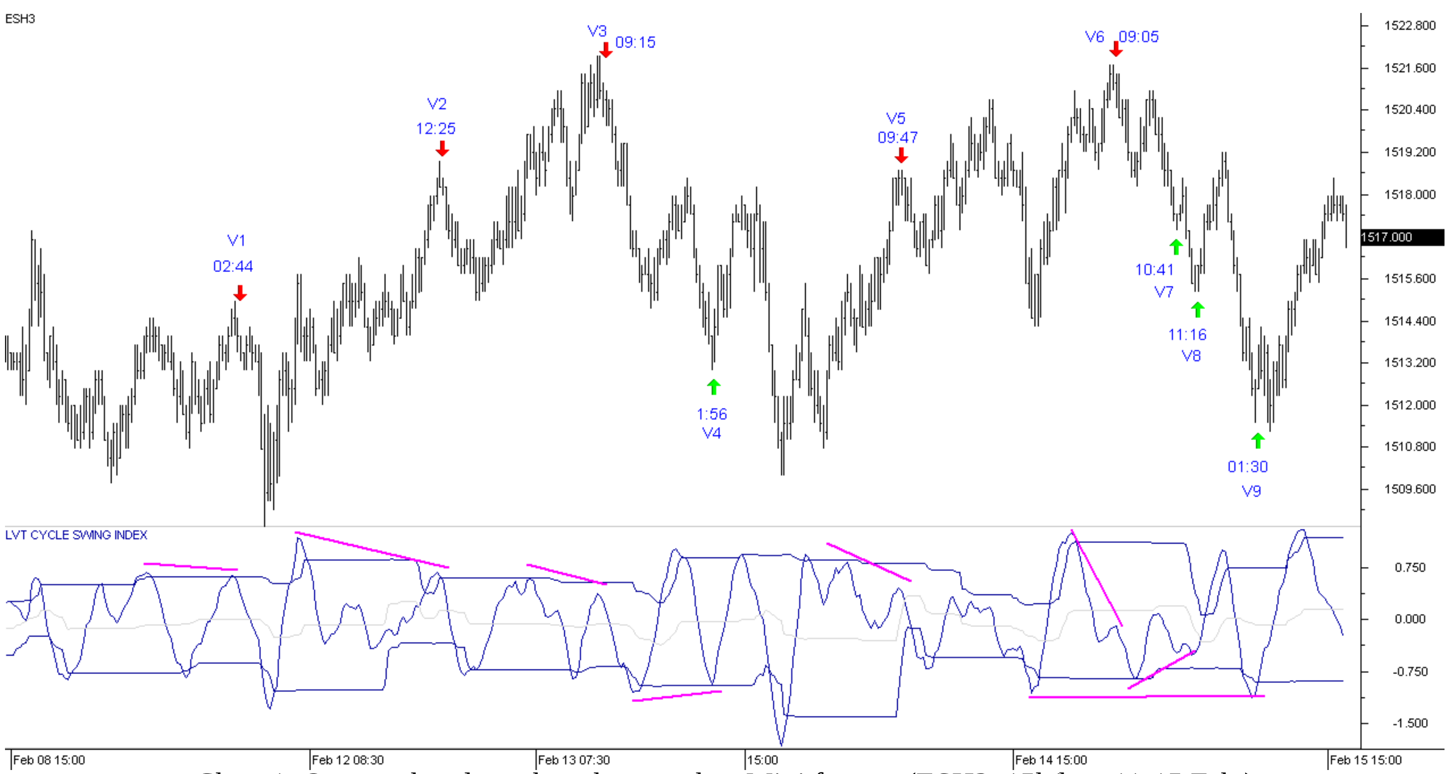


Chart 1: One week volume bar chart on the eMini futures (ESH3, 15k/bar, 11-15 Feb.)

A contract switches from one price range to another in the form of cycles. These are cycles on the "vertical" where price is plotted, not on the "horizontal" where volume or time is recorded. To detect these cycles, we need to switch to price range charts. This is a chart which plots a new bar after a specific price range in trading has been exceeded. This implies that a contract will move in constant price steps – up and down. Now, the cycle toolset is introduced, which allows us to detect the underlying dominant price range of our trading vehicle. By applying cycle tools, we can now measure another complete independent cycle: price range cycles which are not connected to either volume or time. This is what makes cycle analysis so unique!

The following chart presents the eMini futures for the same period, just plotted in range bars. Each bar holds a range of 1.5 points. See Chart 2.

Again, the trading signals have been marked on the chart with arrows and the time they became visible. And again, after every signal, an important move followed in the proposed direction – in this case, however, based purely on price range cycles.

The next chart shows the same period for the eMini futures contract on a time-based chart with 10 minutes for each bar during trading hours. We will use the same Cycle Swing Indicator to spot important turns based on the dominant time-based cycles. Now, all three signal types are combined into this time-based chart. The signals from the volume chart are marked with V, the price range chart with RB and the time-based signals with T. See Chart 3.

Now, the full potential of trading multiple cycle frames unfolds: we see that nearly all important changes in trends have been detected by our cycle indicator. It is important to map the signals in the time-based chart because we live and trade in the time-based domain. Hence, these three chart types (volume, price range, time) should be monitored in the real trading environment in parallel with the cycle's indicators. The signals are then mapped onto the time-based chart which is the primary trade execution chart.

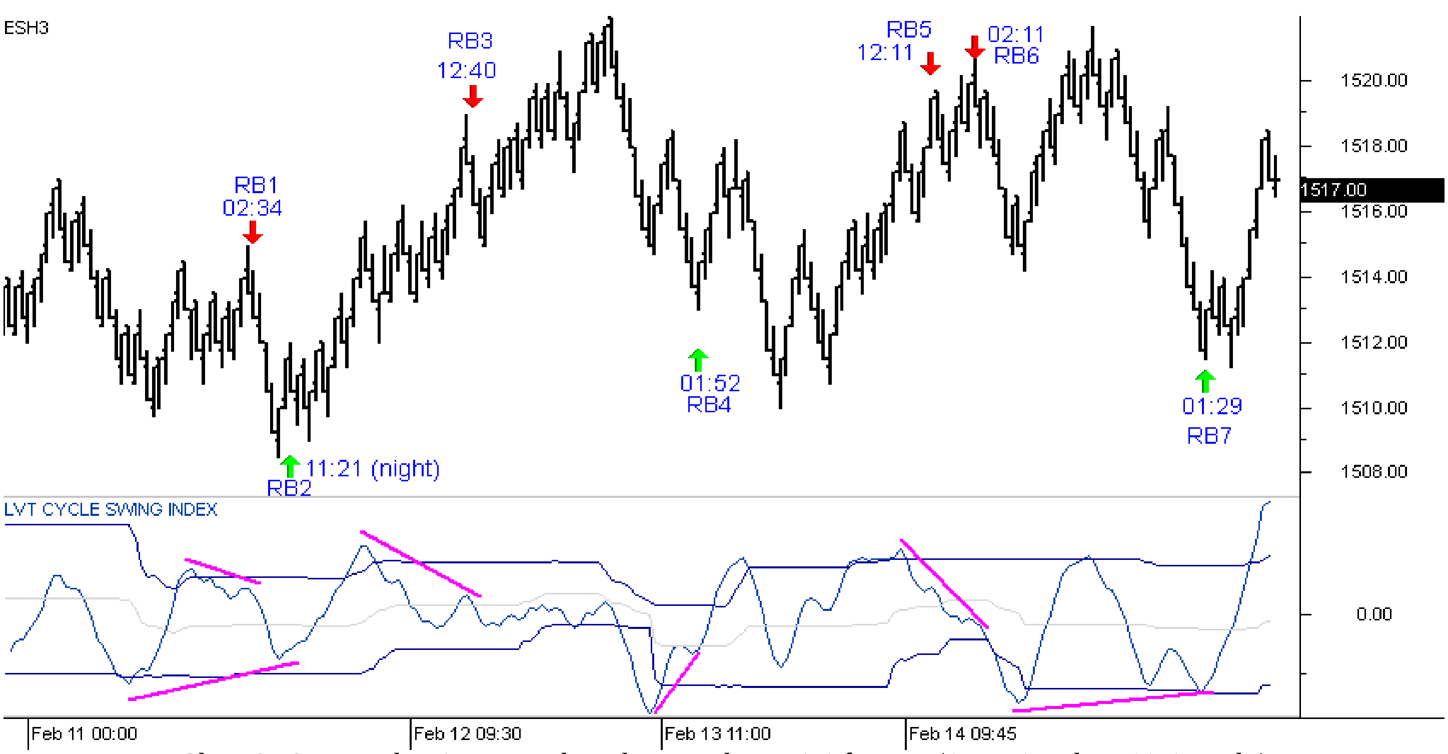


Chart 2: One week price range bar chart on the eMini futures (1.5 points/bar, 11-15 Feb.)

This approach shows that all turns are mainly based on cyclic behavior, i.e., on pure natural law which is now observable on the price chart. However, time-based cycles are not the only factor that influence market behavior. And this is the reason why a lot of important turning points are hidden on the time-based charts. This explains the triple divergences on time-based charts: these are attributable to the fact that the volume and/or price cycles are not yet where the time cycles are – they still need to keep moving. However, when volume and price cycles are in sync with time, it's time for your move. In other words, do not concentrate on time-based cycles only. If you add volume and price range cycles to time-based cycles, you can decipher nearly all market moves on intraday charts. You will be able to see and decode such important trading signals if you apply the potential of cycles to volume and range charts. It is important to analyze cycles on these three chart types, and not just the purely technical indicators. Cycles are the driving force, and not price plotted.

To summarize: the highest potential unfolds when time, volume and price range cycles are in sync and form a cycle cluster. These occurrences are marked in yellow on the time-based chart numbered from 1 to 4. After each alignment, the most significant moves of the full week start to unfold. This is what you want to look for in the real-time trading environment. The chart shows one week of non-interrupted intraday trading action and reveals four clusters. You will be rewarded if you pay close attention to all three cycle frames and wait until they are aligned when cycles come into play. This is the time you want to place your intraday trades.

Not many charting platforms allow you to conduct this form of multiple cycle frame analysis. That's one reason I developed the WTT standalone charting platform which can be used for this type of real-time analysis.

www.whentotrade.com

Chart 3: One week time-based chart on the eMini futures with all signals (10min, 11-15 Feb.)

Position Trading Cyclic Trigger Points

An Intermediate Term Strategy for Producing Maximum Returns

By William Bradstreet Stewart

There are generally two most common types of traders that one comes across in the markets. The first is the long term investor, who generally has some level of wealth that he is attempting to manage, leaving him focused on the BIG picture. He generally will hold 6 month to multi-year positions, and generally attempts to catch the intermediate to long term bull market trends only. The second is the short term swing trader, who most often is a smaller trader with less capital, attempting to perfect his trading craft in the hope of providing himself a consistent living. He is focused on identifying every tradable reversal point, attempting to capture each sequential swing from a daily to intraday time frame.

The strategy that we would like to discuss in this article takes a different approach, an approach we could call that of the *Position Trader*. This approach falls in between the other two, in filtering out most of the insignificant swings that chew up the swing trader, while capturing the significant intermediate bull AND bear swings often missed by the longer term investor. A position trader is not seeking long term investments, nor does he want to sit in front of his computer screen all day attempting to trade every swing. A position trader sits and waits for the HIGHEST PROBABILITY trades in any market, and strikes when the opportunity is most ripe.

Both W. D. Gann and Dr. Jerome Baumring used to say that there were only 2-5 worthwhile trades in any market each year. The rest of the time the market sits in congestion or distribution zones and provides little opportunity to make profits. An experienced trader knows how to determine these active times when explosive moves, or steady trends emerge, and by waiting for them, and taking fewer, but better positions in each market, a trader can capture greater profits, while diversifying his risk exposure across multiple markets, generating higher returns with fewer trades and less risk.

One can make much more money only trading the four largest cycle points in each market, each year, across the multiple markets, than it is trading dozens, if not 100's of short term indications and smaller swings in a single market. It's simple math, each market has only so much volatility in a year, and only 3 or 4 most desirable swings to trade. In this way one could select basket of say 10 markets, and ONLY trade the approximately 30-40 highest yield trades each year across this diverse basket of markets, producing much higher percentage returns with far fewer trades! It is these kinds of position trades that professional traders and institutional managers aggressively seek and pay big money to identify.

This approach also removes the problem of becoming stuck in a congested market, where low volatility gives very little opportunity to generate profits. It will similarly assist traders to stay out of high volatility, non-trending markets, where the endless volatile whipsaws eat up profits by repetitively triggering stop losses.

Understanding how to read where significant cyclic energetic impulses manifest in the markets will identify the times to come back to such markets, at the points where the congestion is most likely to clear and a new trend most likely to emerge. Advance knowledge of such cycle clusters empowers a trader to better focus his attention on markets that are demonstrating currently active cycles and expecting potentially explosive trends. Such a trader will not waste his time continually following and analyzing each market, every day, trying to catch each turn, but can instead focus on where the real profit is. When a time window approaches, he simply applies his accustomed indicators and technical tools to assess the technical position of the market and to trade it according to the expected incoming energetic impulse.

But the KEY critical necessity in this approach is the ability to identify these most important cyclic time windows which produce major or intermediate reversals, significant trends, or volatile breakouts. These are the CRITICAL points where the highest reward/risk s can be achieved due to the high probability of a significant move occurring through the combined energy of multiple converging cycles. THESE are the points that EVERYONE wants to trade but that most traders cannot consistently identify with accuracy! And this is where one either has to do the research required to develop insights into the methods of determining these points, or one has to find reliable information which will accurately and consistently provide KEY timing windows that generate high probability trading signals.

For those who do not have the time to do their own research, but would like to trade according to this strategy, if only they could find reliable information on these KEY cycle points, we recommend you take a very close look at ***The Institute of Cosmological Economics Cycles Forecast Reports. The Ice Reports*** represent the output of more than 25 years of the most dedicated research into advanced cycle theory and Gann analysis. In over 15 years of development, these techniques have been carefully integrated into a software-based proprietary analysis and forecasting

system. This system employs a complex array of sophisticated analysis algorithms and has a development cost in excess of $1,000,000! The timing methodologies developed in this system move far beyond the standard cyclical modeling and projection techniques of more common cycle theories, due to an understanding of the fractal and proportional nature of market movements.

The intention of ***The ICE Reports*** is to identify the 2-4 Major, and 8-10 Secondary MOST POWERFUL CYCLE IMPULSE POINTS throughout the year, in each market. In this way, with minimal effort and risk, one can achieve the highest returns by knowing the exact timing of the dominant cyclic influences during the year and trading ONLY those HIGH PROBABILITY trades which lead to profitable intermediate term runs or significant major trends.

The basis of our research lies in the tales of history. After close examination of event recurrence, it became possible to identify patterns linking dramatic global occurrences. Extensive research was conducted investigating major financial, agricultural, and meteorological events, including famines and crop failures, such as the Irish Crisis of the 1840's, the Bengal famine of 1770, which killed hundreds of thousands, the British Crop Failure of 1799–1800, as well as booms, such as the US Civil War. These events were then interlinked with major market sentiment shifts, such as the 1929 Wall Street Crash, the 1711 South Sea Bubble, the 1919 Oil Crisis, the 1907 Rich Man's Panic, and the 1857 Financial Collapse of the USA and Europe, to name but a few select events taken into account in the full cyclic analysis.

By combining dynamically, expanding and

Chart 1

contracting cycles with linear and nonlinear timing models, this proprietary software is able to identify clusters of highly significant forthcoming turning points, generated by the convergence of numerous long and intermediate term cyclic impulses. These clusters of convergent cyclical impulses present traders with the HIGHEST PROBABILITY timing points to expect significant market moves, reversals, breakouts, and changes in trend. It is these KEY TIMING points that professional traders understand present the greatest opportunities to extract maximum profits with minimum risk exposure. The ability to identify and capture such high probability trades is THE KEY to generating consistent profits in the markets!

Our proprietary systems develop a cyclical DNA code specific for each market. We display this DNA behavior below each market chart in the form of a histogram. These histogram changes represent an accumulation of numerous different cycles, both linear and nonlinear, which take into account a proportionality of effect that is quantified mathematically. See Chart 1.

Using our proprietary software, we then project these cycles ahead in time and look to see where numerous cycles cluster. The clusters themselves identify significant forthcoming turning points, due to the convergence of multiple cyclic impulses. These are the time windows when we believe existing trends are at risk, or when new trends are about to commence (see example charts of Japanese Government Bonds).

Note that the highest histogram spike is not necessarily the highest probability turning point, as it may indicate a high convergence of less dominant cycles, or consist, at times, of a greater number of equilibrating cycles, whereas a slightly lower spike may indicate the convergence of fewer, but more dominant or

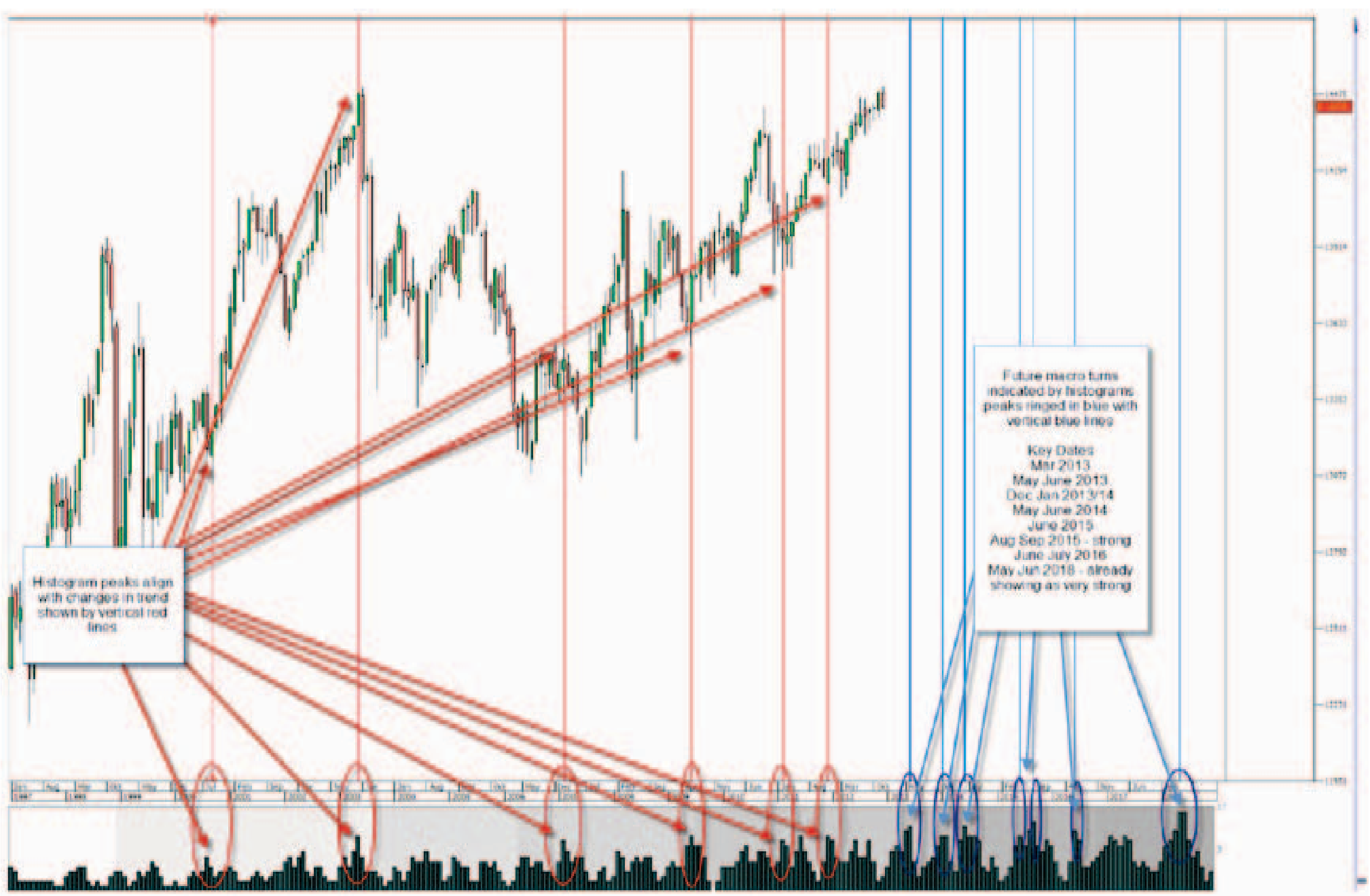


Chart 2

directionally aligned cycles. Those few highest spikes will not necessarily be stronger points than the next group of lower peaks. Peaks in histograms often correlate with market turns, and can indicate significant reversals in trend, particularly when markets are trading at the extremes of their range. See Chart 2.

At other times when the incoming cycles are aligned with the trend, these convergences may produce significant accelens in that trend, or breakout points. Also note when plateaus occur or when two spikes follow each other closely, as these can indicate a broadening top or bottom formation, where a number of long term cycles are turning in sequence.

Regardless, these time periods give traders the edge in terms of either protecting or liquidating existing trending positions. Once trend directions have been confirmed, then the histogram spikes indicate reasonably safe entry points. This advanced knowledge of forthcoming cycles gives traders a clear strategic advantage, since financial instruments, such as options, can be bought when the premium is low, ahead of volatile moves. Simply mark the signal dates on your calendar, then a week or two before the key date, apply the technical indicators and strategies that you are accustomed to in prepan for the trade.

The ICE Reports are only new in this current

format, as this information has been available over the past decade in various layers of complexity, but only to professional traders and institutions. ***The ICE Reports*** now, for the first time, offer this knowledge into the hands of individual traders. In these reports, we have distilled this broader and more complex institutional analysis down into its most fundamental element for trading: TIME! W. D. Gann always emphasized that Time was the most important factor. Any trader who knows the time window of a coming move can use standard technical analysis and risk management strategies to take maximum advantage of it.

We think these reports will give traders a KEY advantage in helping to identify ongoing opportunities for intermediate term position trades with consistent profitability. Currently there are ***ICE Reports*** available for the S&P 500, NASDAQ 100, Apple, Amazon, Euro-Dollar, Crude Oil, Coffee, Copper, Soybeans, and Orange Juice, with reports for further markets coming soon. For more information on ***The ICE Reports***, including 5-10 years of sample historical timing points, and past institutional report results, please contact us, or see our website: http://www.sacredscience.com/ICE/ICEreport.htm

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BEHIND THE VEIL

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BY DR. ALEXANDER GOULDEN

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Dr. Goulden, a Cambridge educated scholar, penetrated many of the hidden techniques used by Gann, and has developed numerous new and original trading applications based upon similar principles, leading him to the forecasting results in seen here.

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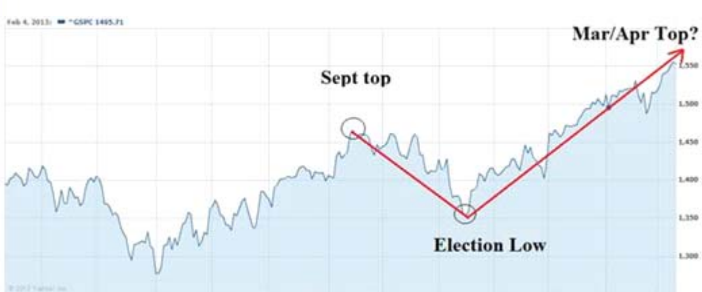
- **T-Notes 20-22 August. Result - a pivot low on 21 August, followed by a rally of 241 points to 2 Sept.**
- **Soybeans 17-20 August. Result - a pivot low on 17 August, followed by a 710 point rally in 6 days.**
- **Gold 17- 20 August. Result - a pivot low on 17 August, followed by a 780 point rally to 8 Sept.**
- **Platinum - 23/4 August. Result - a pivot high on 24 August, followed by a 607 point drop in 7 days.**
- **NY Cocoa 21-24 August. Result - a pivot high on 25 August, followed by a 257 point drop in 4 days.**
- **NY Cotton 21- 24 August. Result - a pivot low on 26 August, followed by a 426 point rally in 7 days.**
- **German Bund 21-24 August. Result - a spike low on 24 August, followed by a 140 point rally in 7 days.**

FOR A DETAILED WRITEUP ON THIS COURSE INCLUDING CONTENTS, SAMPLE TEXT & FEEDBACK SEE:
WWW.SACREDSCIENCE.COM/GOULDEN/BEHINDTHEVEIL.HTM

FERRERA CALLED THE LAST 3 S&P SWINGS!

FERRERA'S OUTLOOK FOR 2013

- *FERRERA FORECAST A SEP 22 TOP*
- *FOLLOWED BY A MID-NOV CYCLE LOW*
- *FOLLOWED BY AN EXPLOSIVE UPTREND*



DEAD ON FORECASTS FROM FERRERA'S RECENT OUTLOOKS:

"The best time to buy this market would be under the following conditions: (1) There is a significant price decline from the Autumn Equinox (**September** 22, **2012**) time frame until at least the presidential elections of November 4. (2) We see this downtrend reverse near the permanent yearly cycle dates of: **Nov. 8 to 11."** ***Dan Ferrera 2012 Outlook***

TO SEE WHAT FERRERA FORECASTS FOR THE REST OF THE YEAR ,DON'T MISS HIS OUTLOOK FOR 2013

"According to W.D. Gann's Decennial Rules, a No. 3 year starts a bear market, but the rally from the 2nd year may run to **March or April 2013**." ***Dan Ferrera 2013 Outlook***

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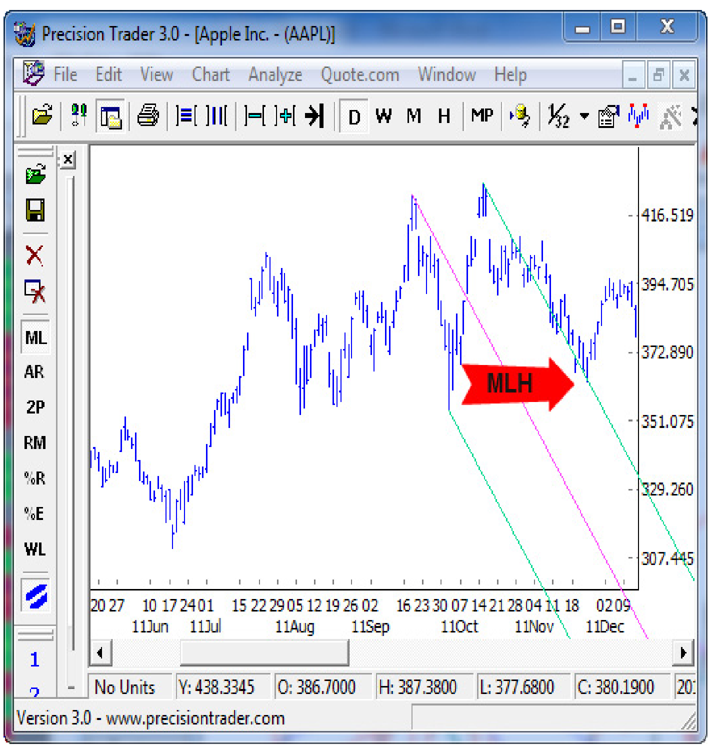
A Case Study of Andrews Lines and Apple Stock.

By Ron Jaenisch

Time and time again I have had novice traders try to tell me that Andrews lines do not actually work. As is normally the case the novice trader does not have a working understanding of the various Andrews Lines, what to expect and how to use them. This article will clear up the various concepts to enable the reader to have a deeper and richer understanding of the use of the various lines that are related to the Andrews Median Line. It is written in a case study format. This was the way that Alan Andrews preferred to teach via the mail.

My friend Dr. Alan Hall Andrews is known for saying that prices make it to the median line 80% of the time. It is when prices do not make it to the Median Line and only make it to the parallel of the Median line (MLH) that novice traders get frustrated.



This frustn is misplaced since what Andrews said was that prices will reverse at an ML, MLH or the extension of an older one. Note that in the above Apple chart prices reversed at the MLH.

This was a price correction that occurred in December of 2011 and for prices not to make it to the Median Line in a correction pattern is common. When prices are not able to make it to the ML, it is believed that prices will make up for it substantially in the next move in the opposite direction.

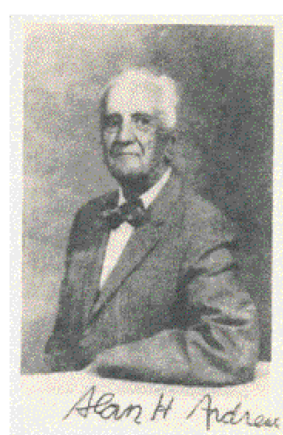
After the reversal prices slowly climbed the wall of worry. During this time much of it was spent below the MLH and as a result a Sliding Parallel (SH) was drawn. As is often the case, after going higher, prices came down to test the SH line and then proceeded up to the red median line in a stronger manner.

Note that as prices made it to the median

Noted on the above chart, is the fact that the prices did not make it to the median line during the correction and reversed at the MLH. Then, in 2012 they proceeded to go up past the Median Line and finally met the ultimate in resistance as they made the thrust move up went to the far MLH. Prices meeting resistance or support at the far H is common.

After making the top at the far MLH they once again went down in a correction pattern. Once again prices did not make it to the Median Line and reversed at the MLH. Then came the final up move with prices spending most of the time below the MLH line and finally reversing at the MLH

Note that once again prices were too weak to make it up to the Median Line and headed down. Once again there was a substantial space between the Median Line and how close prices came as they went up. As prices make the next move they will typically make up for this by once again making the far parallel a target area.



As prices went down they made it to the far parallel where they met support. This case study is in a video located at http://www.precisiontrader.com/promotions/default.htm

This will include important additional concepts.

The Author Ron Jaenisch was taught by the late Dr. Alan Hall Andrews and is in possession of the massive nearly one thousand pages of original Andrews material. The course is available at www.andrewscourse.com. He can be contacted at ronj@san.rr.com

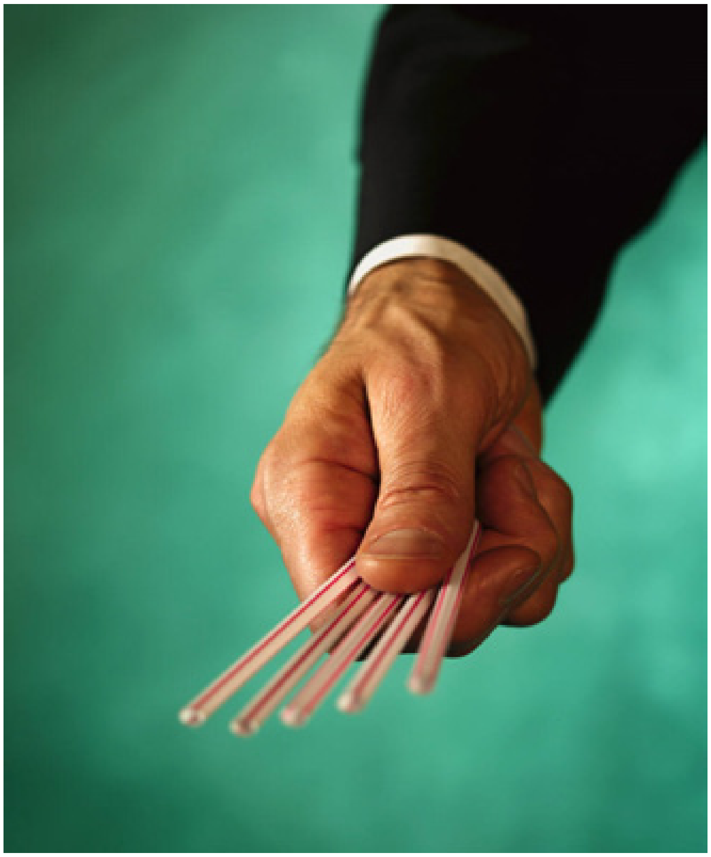
Making Choices Your Own

By Adrienne Toghraie, Trader's Success Coach
www.TradingonTarget.com

When a trader has difficult or unacceptable choices thrust upon him, he can react in a number of predictable and destructive ways. Resistance to making a decision is the most common reaction, followed by avoidance and refusal to accept responsibility for the choice. Any one of these reactions can deal a blow to your trading.

Between a Rock and a Hard Place

Jeff was an angry and bitter man. When his business partner, Mel, suddenly disappeared, Jeff discovered that he had left the partnership with crushing debt and obligations. While Jeff was busy trading their clients' accounts, Mel was responsible for company promotion and sales, as well as managing the firm's business accounts. Although Jeff believed that Mel was abusing the company's money by purchasing the most expensive office furniture and equipment, he ignored the situation because he was so busy trading their investors' money.



What Jeff did not realize was that Mel's spending and abuse of company funds went far beyond office furniture and equipment. Jeff discovered much too late that Mel spent large amounts of money entertaining potential customers that did not exist, and reimbursed himself petty cash expenses on lavish items that filled his home. The final outrage, however, was the quiet siphoning of the firm's money into foreign bank accounts.

The enormous debts that Mel left in his wake forced Jeff to make a choice between two terrible alternatives. Jeff could declare bankruptcy, avoid paying the debt, and destroy his credit and credibility or he could accept responsibility, pay the deficit, and preserve his credit and good name. However, this second alternative would mean that he and his family would spend the next five years living at a subsistence level with no guarantee that Jeff would be able to salvage the business when everything was finally completed.

Jeff chose to pay the debts, but he hated everything about his life from that moment on. Because he felt pushed into the decision, he resisted the changes that he was forced to make. The new and smaller home his family relocated to was a source of constant irritation and disappointment. His new and less expensive office was "inconvenient and depressing." In the meantime, Jeff's trading suffered along with his relationships with his investors and his family.

Very often, we get caught up in the mental turmoil of knowing that we should have made better choices while we are still feeling bitter and resentful about accepting choices that are not our own. In other words, we are not taking responsibility for our decisions. We do not own them. The decisions own us and we are angry about the fact and self-destructive as a result.

Rose Colored First Choice

Let's say that instead of being "forced" into bankruptcy, Jeff chose bankruptcy, thereby relieving himself of the obligation to pay all the company's debts. Since he "chose" this option, he would feel emotionally empowered to deal with the situation in a proactive manner. So, his first step would be to meet with his family to decide how everyone would pitch in and make it a family project to rebuild. The resulting plan would enlist everyone's participation at the level of his or her ability. Each person would come up with ways to enjoy the process of downsizing and making the best of the situation. When people are asked to find the best way to handle a situation, they feel good about their choices because they own them.

At dinner, each family member would report on his or her progress and receive accolades for their progress and innovative ideas. They would reward themselves with family fun that would not necessarily involve spending money.

Second Rosy Choice

Suppose that instead of filing bankruptcy, Jeff chose the second option of paying off the debts. However, this time he took responsibility for making the decision instead of resisting his choice and viewing it as a burden to overcome. Since Jeff was making this his choice, he would set up a family meeting to develop a family plan. In addition to the family plan, Jeff would put together a business plan that would not only pay off all of his bills, but would make a profit for both himself and his clients. He would meet with his creditors and present his business plan to show them how he planned to make his business work and pay them back. Most creditors would support his efforts and appreciate his honesty and his workable plan to pay them back. Jeff could ask his friends to help him in establishing a good credit reference to set up a new office.

Since the right working environment supports success, Jeff would be better served by surrounding himself with friendly people and successful businesses. This is available in the form of a one-room office space with a common reception area and back-up staff to assist him part-time.

Jeff would also need to meet his investors and tell them that he was moving to a new office. Due to his partner's decision to enter a new line of work, he would not require as large a space. He should make it clear that while he is moving, he will not trade since one of his rules is that he will not trade during a stressful time. Clear focus is important to decision making and he should emphasize that he is dedicated to only giving the best of himself when investing their money.

Now, Jeff has created a workable plan with the support of the people involved in these difficult circumstances. If he does not succeed, at least everyone will know that he gave it his best effort.

By taking responsibility for his choices, Jeff could have taken control of the situation and himself. Instead, by resisting and failing to take responsibility, he actually put himself under pressure, risked losing the good will of those around him and created a negative state of mind that impaired his trading.

If you focus on the limitations of your choices, you will see only problems. If you focus on ways to make the best of your limited choices, you will have everything.

Instant Zillionaire

When Ron decided to become a trader, he attended a conference where he could meet all the gurus of the trading industry. “Wow!” he thought, “Tese guys are just handing me the answers on a silver platter.” Now, all Ron had to do was to choose one of the gurus, buy the recommended software and equipment, subscribe to a few newsletters and just let the experts make the trading decisions for him. Ron was sure that he was well on his way to becoming an instant zillionaire. It is instructive here that Ron would choose to listen only to the people who were telling him where to place the trades and not to the people at the conference who were saying you have to make your own choices. By the way, Ron did not become a zillionaire. He did, however, become a computer salesman. Like other naïve new traders, Ron thought that he would not have to take responsibility for making his own choices.

Choosing Your Own Reality

How to choose

1. Carefully weigh all of your options, regardless of whether it seems like you are forced to make a choice or if you are facing many possible paths.

2. Write down every choice that is available to you including those that you would not consider.

3. Ask family members, business associates, and others who have made similar choices what options they feel you have. It is important to write down all suggestions without prejudging them.

4. Play each suggestion out on paper, in your mind, and with others. Look at each choice, first, as a devil’s advocate, and then through rose-colored glasses.

5. Make a choice, compose a winning plan based on that choice, and then elicit everyone’s coopen and help.

6. Follow the plan, making adjustments along the way to improve on the plan.

Conclusion

Traders are often faced with choices that they do not like or want to make. If they resist the choices, they will cut themselves off from their own creativity and problem-solving abilities. In addition, they risk alienating the very people whose help they need to bring about a successful outcome. And, of course, their trading suffers. By owning their choices, traders can positively influence the direction of the outcome. Choices they originally did not want to make can become choices that lead to a way out of trouble, that rebuild self-esteem and important relationships, and ultimately, create profits.

3 Pillars for Transition Traders

By Dimitri Feria

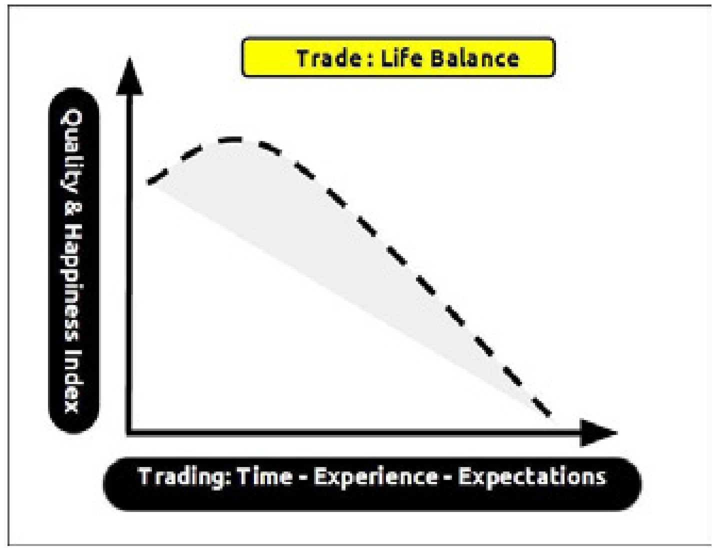
ONE: (Re)Evaluate Trade: Life Balance

My story is probably very common among the universe of traders but a completely unknown one to a computer algorithm (so algo's are not allowed). We as human traders, constantly participate in the markets throughout Time under different circumstances & reasons but at the end of the day we all have a life to attend to.

Be it our families , loved ones, businesses or relationships in general, all these are special worlds we all have to make the best of. Having a great trading life but underperforming in relationships or vice versa does not yield a good return in the long term, if you know what I mean. There is a great quote by Ruth E. Renki who once said *"You live longer once you realize that any time spent being unhappy is wasted."*

This delicate balance between these two worlds, Trade : Life, is easily said but hard to master. Personally, when I began trading, i never even considered this aspect in my first "business plan". I naively considered them as "separate" worlds but with time & experience miles understood that one world can't live without the other.

Time can be your best friend or your worst nightmare. The nightmare for a trader is what was once an exciting & fulling endeavour transitions into a frustrating and unfulfilling experience.



Let´s face it and ask yourself the following question:

Adapt your life to the markets or adapt the markets to your life?

I invite you to take your time and reflect on this one.

Curious to know your answer, If you wish to be as happy as you were the first day you traded & want to keep it that way, I would suggest adapting the market to your lifestyle and priorities. The first step is to personally evaluate or reevaluate with a Yes/No answer, if you are "balanced" or "unbalanced" in the Trade : Life equation.

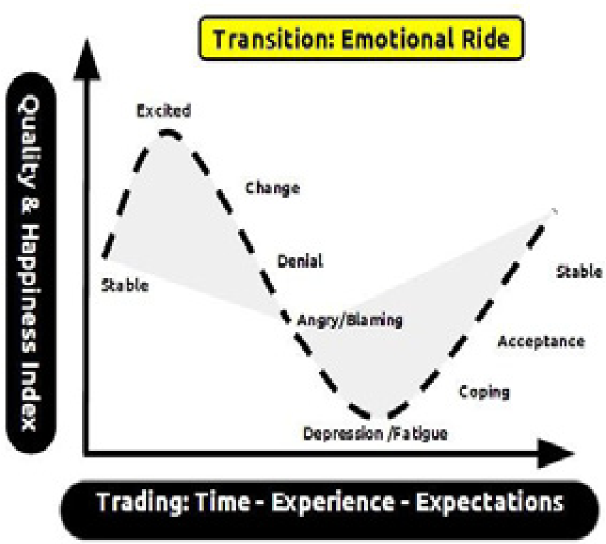
TWO: Include Transition - a different kind of animal

It´s a well know fact that most people underestimate the amount of time and steps it will take to get something done, hasn't that happened to us all? Learning to trade, learning a new language, new indicator, starting a new project or even relationships usually end up taking longer or more complex than we previously thought. Some people call it the "planning fallacy" and we are all subject to fall into this inefficiency trap. How to adapt to the markets in transition? Does our business plan include this reality and more importantly how to do it?

Before digging deeper, let start at square one:

What is transition exactly and is it a constant in our trading life?

Well to have a better understanding, lets have a look at the definition. According to the Merriam Webster online it is **"a movement, development, or evolution from one form, stage, or style to another"** Our trading, even if you are a beginner or veteran, is in a constant transition passing through many different levels as well as intensities. A clear example of this is our own emotions through time, they are cyclical and repetitive. The following graph shows this common pattern:



Transition is natures rhythm and it is seen all around us, in life and markets. Evolving from one state to another, from one stage to another , the ultimate question would be how to best manage its outcome?

THREE: Invest in Transition Planning

How will you be trading in a few years time? How will you be trading when you get married ,have children or any life changing dynamics? Do you have a criteria or plan to manage transitions?

History has show that poor planning in transitions have brought devastating emotional, financial & openal consequences sometimes even leading to irreversible results. Companies transitioning from one CEO to another, from one technology to the next, traders and the changing markets are a just few examples. Is there really a way to reduce as much as possible its negative effects?

We have no control over the markets actions or future direction. The only thing we can be certain of is that it will keep on moving, changing and evolving from one state to the next . Markets and life will keep on moving whether we like it or not.

We do have the power to manage transitions with less unwanted outcomes in the future. The key is to grasp the idea that we are naturally part of this cycle, planning, thinking ahead, figuring out actions as well as strategies to reduce its negative impacts. To Smooth out the curve of its results and not end up with a highly volatile and out of control roller coaster.

As we can see from the graph above, we have two types of transitions: Unplanned and well managed. Both are subject to the same emotions but are very different in intensity levels.

The first one is an uncontrolled dramatic drop and recovery while the second one reflects a smoother transition. This case can be applied to all aspect of trading and our job is to plan, reduce and to manage it the best we can.

To conclude, our first pillar is to be aware and to constantly monitor our Life & trade balance. The second pillar is to include change, transitions to our trading in the short,l medium and long term. Our third pillar is to invest in planning and thinking ahead for future movements and the inevitable evolution of our endeavours.

So next time you are in the infamous “bottomless pit” remember you are transitioning, stop digging and take the opportunity to develop the steps necessary to reduce the intensity for that episode or the next.

Dimitri Feria
trader2trader.wordpress.com

3 Simple Ways To Increase Your Trading Odds

By Brett Marsh

As any good trader knows being successful depends on learning how to find high probability setups and then further fine tuning your entries in order to get the odds more in your favor. We will explain 3 simple ways we use which can help you increase your trading odds.

If you follow our work over at ProTraderStrategies.com then you know that one of the key components of any of our trading strategies is using a good trend filter. Before we even consider looking for trade setups on a chart we use the trend filter to get our long or short bias. What may initially appear as a strong setup on the chart may only be a mirage without using a solid trend filter. Without the use of a solid trend filter you may only be trading a bounce in a weak market and are most likely setting yourself up for failure over the long run. Once a trend filter is applied, the truth of which side of the trend you should be trading on is revealed. So what is a reliable trend filter a trader can use?

Concept #1 Buy/Sell Line Trend Filter

The trend filter we use in most of our strategies is the 50 day moving average line or as our head of research, former stock exchange specialist and 35 year trading veteran Steven Primo calls it, the **"Buy/Sell line".** We have covered the "Buy/Sell line in past publications so we won't go into too much detail here. We use this trend filter in a very simple way.

Our basic "Buy/Sell Line" rules are as follows:

-If the trade entry of a setup is above the 50 day moving average level then we are looking to get long or buy.

-If the trade entry of a setup is below the 50 day moving average level then you are looking to get short or sell.

This may seem simple but most traders don't use the 50 day moving average level to get their buy or sell bias. Traders may look at the 50 day moving average level on their charts and see what they think is a good long setup below that buy/sell line but instead of automatically negating the setup they look to justify why the trade setup could be a good one. For more information on the "Buy/Sell line" go here http://www.protraderstrategies.com/?page_id=1279

Concept #2 Where Is Your Trade Setup In Relation To The Buy/Sell Line?

The second way we use the 50 day moving average level to increase our odds in trading the stock, futures and currency markets is by looking where the setup is versus the "Buy/Sell line". What we mean by this is all trade setups are not created equal.

A setup trading well above the 50 day moving average is not as high quality of a setup as a setup trading on or near the 50 day moving average level.

Our 2nd technique for increasing your odds is:

ONLY TRADE SIGNALS THAT ARE CLOSEST TO THE BUY/SELL LINE

This Technique:

Can Be Applied To ANY Strategy.(It can be used with any of our strategies or one of yours)

Can Be Applied To Any Time Frame(both long/short)

And On Average Will Increase Your Success Rate.

The reason these trades works better is when you are taking setups that are way above or below the 50 day moving average level they have already made big moves and may not have much gas left in the tank.

Some of our favorite strategies are pullback strategies within a trend so when we see one of our strategies giving us a setup which is then followed by a pullback to the 50 day moving average level this is of higher quality than the others. Many times you will see price pullback right to this buy/sell line and then continue in the direction of its trend. Finding support at this level shows us that the a majority of the players are still on the side of the trend.

Let's show you what we mean:

Here is an example in the stock FDX

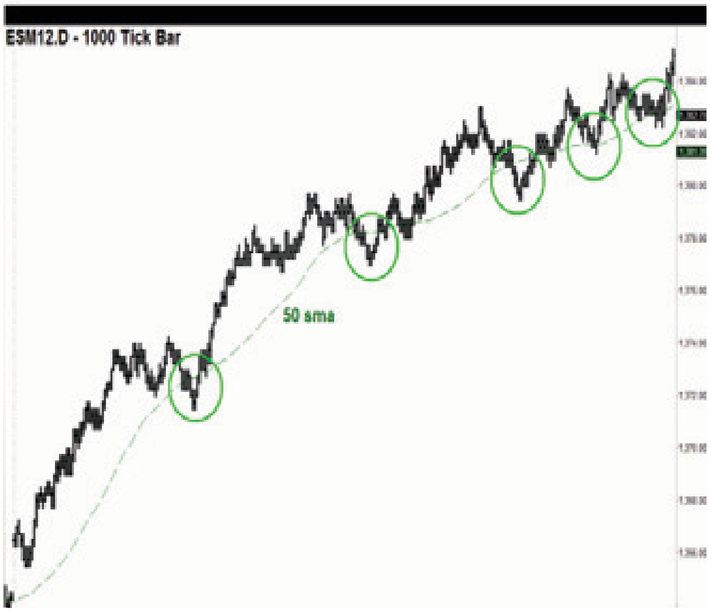
As you notice the buy sell line has a nice uptrend and prices have been rising. As you can see the most opportune times to enter into FDX were when prices touched the 50 day MA on a pullback. In the following charts most of these were actual trade signals to go long or short from one of our strategies so you shouldn't just blindly be buying when price touches the buy/sell line but using in conjunction with a solid pullback strategy within an uptrend can return some nice gains.

FDX Chart #1

PEG Chart #2

Here are a couple examples trading the Eminis:

Chart #3 Emini Tick Bars



As you can see this concept of having a good trend in place and then waiting for a measured pullback into the Buy/Sell line has produced some nice results. If you are looking for a high probability signal these are the areas where you will find them.

Here is another example on the S&P Emini using 1 minute bars. In this example this concept was working well on the short side until we saw a cross back over the buy/sell line indicating a trend change. At that point we were looking to buy and we started seeing setups to the long side shortly thereafter.

Chart #4 Emini 1 Min Bars

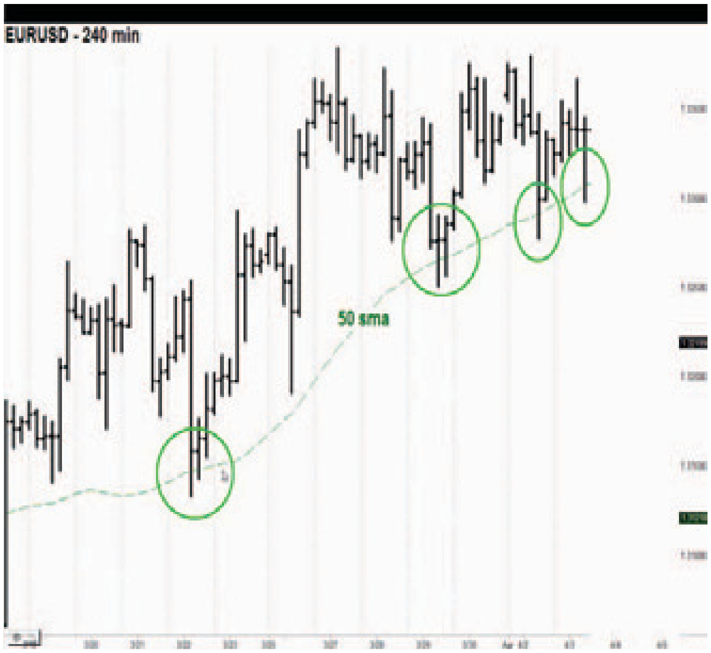
This does work well in all markets but it is true it does not always work. Here is an example in the Forex markets where we had 2 situations where it worked nicely from the short side but then it managed to slice right through the buy/sell line without stopping. This is where another concept of ours comes in handy which we call confirmation.

Concept #3 Trade Using Confirmation

This is another rule we add to further get the odds in our favor. We may have a nice signal to buy but if we don't get confirmation on the next bar that the trend will continue then we do not take the trade.

Confirmation tells us that odds favor trend will continue in our direction by trading 1 tick either above or below the following bar depending if you are above or below the Buy/ Sell line. In the case below we needed price to trade 1 pip lower otherwise we stay out of the trade.

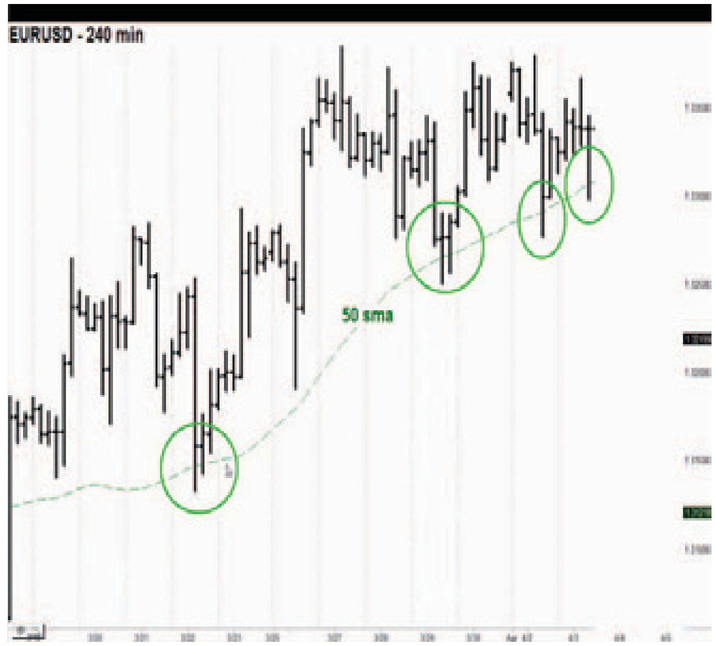
Chart 5 GBPUSD



Here is an example of a 4 hour chart trading in the EURUSD

One can see that we had a nice uptrend in the buy/sell line so once we saw some pullbacks to the 50 day followed by confirmation on the next bar we were able to ride some nice trades.

Chart 6 EURUSD 240 min



This does not mean you will always find a signal at or near the buy/sell line it just means this is the higher probability area to look for setups. You won't see nearly as many setups on the longer time frames so if you want more trades choose a lower time frame.

Chart 7 EURUSD 240 Min Break Lower

In this last setup you can see price came back down to the buy/sell line but you did not get confirmation on the next bar. This was followed by lower prices but since the setup was never confirmed by trading above the prior days bar we would not have entered into a trade.

We want to be sure to remind you that these are 3 great concepts to help increase the odds of a successful trade but on their own not a strategy. It is still important to be trading a good pullback strategy and you can then add these additional filters in to help increase your odds. Once you put all of these pieces together you will be amazed as to how this improves the consistency of your trading.

Brett Marsh Bio

Brett is a veteran trader with over 18 years of trading experience in the Stock, Futures and Forex Markets. He is VP of research for SpecialistTrading.com and Chief Market Technician of ProTraderStrategies.com where he provides market commentary and daily chart analysis. His commentary is read by thousands of traders in over 90 countries.

Brett graduated from the University of Southern California with a degree in economics. He started his trading career as a Financial Consultant for UBS before given the opportunity to become a NASDAQ market maker. He also helped start and run several trade desks, making markets in 100's of stocks.

Brett was later given the opportunity to work with Larry Connors and later William O'Neil, 2 best selling investing authors and market wizards. This allowed Brett to learn both Quant modeling and other technical/fundamentally based trading methodologies used by some of the top portfolio managers in the world. Using this unique market insight, Brett has educated and trained thousands of individuals and portfolio managers globally. He has helped improve their trading results by using consistent, high probability trading techniques which focus on short term, aggressive moves and proper trade management.

Sabotaged by Unexamined Beliefs

When he puts money on the line, the trader quickly finds out about the strengths and weaknesses of the mind that he or she brings to trading. Whether you want to know about your weaknesses or not does not matter. Suddenly, risk is real and the trader's deepest emotionally- laden beliefs surface without warning and hijack the thinking mind. Trading has a way of forcing the trader to acknowledge his emotional and mental weaknesses. In fact, most traders, until they begin trading live, have done a great job of avoiding awareness of their self- limiting beliefs. But in that forced moment of embracing ambiguity called "live trading", your real beliefs about your capacity to manage uncertainty become the submarine that torpedoes a perfectly fine trading plan.

The trader's shortcomings in performance show up as hesitation, self-doubt, nervousness, over-trading, or impulse trading. These are symptoms of the problem that the trader attempts to mask without getting to the core of the problem. This is where most traders stay stuck until they learn how to examine the self-limiting beliefs to which their performances are rooted. Up until that moment of reckoning, most aspiring traders really do not know themselves very well. As one trader taking my group course put it, "I didn't know what I didn't know when I started this course. Now I know what I know."

The Mind that You Bring to Trading

Let's learn from this trader's journey into understanding the self by following him as he begins to wake up and realize that he has to build the mind with which he trades. What he discovers is that he really needs to develop the mind that he brought to trading into a mind that can produce success in trading. It was not that he had a "bad" mind – it was just that a commitment to self-development is required to move past self-imposed roadblocks and into consistent profitability.

Like many people training to become traders, he had been successful in a career before trading. He explains, "I spent 25 years in the Air Force as a flight engineer for a large cargo jet. It is a huge plane with many complicated systems that you have to stay on top of – or you will have trouble. I was part of an incredibly well-trained team that flew that plane. We, as a team, were prepared for anything. As a team we were highly disciplined and confident in our capacity to keep our plane flying. If one person was having a bad performance or day, there was always someone else on the crew to support them and get them back into the mindset needed to fly that plane. "

"Naturally, I thought the discipline and confidence that served me so well as a crew member flying the plane would also serve me in trading. It didn't. My discipline and confidence, developed as part of an effective team, eroded as I traded. The problem is that I held a belief that I couldn't be wrong and I could "right" any situation – this is not the way it works in trading. Also what I discovered is that, as a flight engineer, I was part of an external team. Everybody developed certain roles that gelled into a high performance team. The problem, as I examined the situation through this course, is that there is no external team in trading. The team that has to be developed is internal. This is an entirely different animal than an external team. When I came to trading, I was not prepared for that and my trading account proved it."

Developing the Inner Team

"What I have discovered, though, is that within each of us are the attributes required to build a high performance team. But you have to develop it. You're not going to simply get lucky and fall into it. In the Air Force teams are built with great intentionality. Each person contributes his skills for the overall success of the team. In trading, you have to develop these parts of the self – there is no one there to do it for you. As I have developed these parts of myself, my trading has taken off. I now know what to look for and how to bring these internal resources into my working awareness. I call this my trading crew. It makes all the difference in the world."

Fortunately, within all of us (as this trader describes) are powerful inherent, indwelling resources that can be developed into a high performance state of mind. But how do you go about developing the mind that trades?

A New Understanding of the Mind

First, the emotionally intelligent trader discovers that his mind is more nuanced and complicated than he initially thought. What he discovers is that the mind is not just a place where "his thoughts" occur. Rather it is better understood as a committee, or a board room, that is populated by various competing forces. Each of these board members of the committee comes to the meeting with an agenda and direction where they want to take the "corporate self".

In the undeveloped mind of a trader struggling to become consistently profitable, the dominant "board members" are destructive in nature, while other less-dominant "board members" are fearful that change will result in losing what they have. If you have ever experienced self-doubt while trying to pull the trigger or have gotten out early from a trade fearing that you were going to lose money, you have experienced these members of the self as they control the committee of the self – better known as an undisciplined mind.

By developing emotional regulation skills to calm the body and mind, mindfulness can then be used to open the door of the mind and examine both your thought life and the beliefs that drive your trading. And what you discover is that you do not have thoughts and beliefs – they have you. And in your blindness to their influence, they have been running your trading mind, and your trading account, into the ground. By learning to discern these different elements of the self through mindfulness, a great opportunity for the re-invention of the self becomes possible.

Taking Charge of the Mind

In the same way that there are destructive elements of the self – there are constructive, empowering parts of the self. This is simply the nature of our humanness. But they have to be awakened, fed, nurtured, and developed for them to become an active (and vocal) part of the committee of the mind. As you develop mindfulness and apply it to trading, what you discover is that you, as chairman of the board of the trading committee of the mind, have been asleep – not tending to the business of developing the mind as a trader. And because you, as an observer to the mind, have been asleep (not knowing to be awake), the trading committee of the mind has drifted without leadership and is not on course.

In waking up the Observer of the Mind through Mindfulness, the trader discovers powerful constructive elements of the self. He discovers inherent indwelling resources that have been waiting for him to wake up and develop. These are what Carl Jung called the empowered side of the archetypes. These archetypes give form to the various emotional forces at work in the mind's trading committee.

In the same way that a trader experiences the fear of the Orphan or the judgment of the Inner Critic at moments of uncertainty, an awake trader also (by being human) has potential access to the discipline of the Ruler, the courage of the Warrior, the self-soothing of the Caregiver, and the impartiality of the Sage. Notice that each archetype (i.e. inherent, indwelling resource) has an emotional signature.

This is important. This is where the modern science of Emotional Intelligence intersects with the theory of life as a journey into human potential of the Archetypes. Each Archetype (member of the trading committee of the mind) has an emotional signature that can be used to create the emotional cocktail that leads to the peak-performance thinking required in successful trading.

The Mind is Developed, Not Found

If left to its own devices, the mind will drift in the historical adaptation to which it was born. This is where most traders stay stuck. They never come to grips with the notion of developing the potential that exists within each of us. In their blindness, they keep looking "out there" for answers to their trading woes. They look for an external team to plug into, rather than developing the internal team of the self. But by bringing a different Observer to the trading committee of the mind, you find a very different potential for what the trading mind can look like. We all exist as potential that is limited only by the Observer that we are.

Learning to develop the Observer of the coming and going of thought in the mind, recognizing that we are not our thoughts, allows you to de-construct the old committee of the mind showing up in your trading as self-limiting beliefs - and to rebuild it into a mind for consistent profitability in trading. This is the challenge that has to be overcome. It is your mind that trades. Its potential can be developed. And trading makes re-development unavoidable if you are to become consistently profitable. It is your life and you, and you alone, are responsible for the mind you bring to the invention of your life. Embrace it.

Rande Howell (MEd, LPC) helps traders develop a peak performance state of mind. He is both a licensed therapist and performance coach whose work is grounded in emotional regulation, mindfulness, and Jungian archetypes applied to trading. He has a clinical background in training people to master their emotions and to transform self-limiting beliefs into productive mindsets.

He works from the assumption that the mind that you bring to trading is not the mind that is going to produce success in trading – that has to be built. Rande's work centers on how to break the fear-based beliefs that imprison a trader's performance and that block the development of a trader's potential to achieve financial and personal dreams. By learning how to manage the biology of emotion, real and long lasting changes can then be made to the mind's core beliefs from which the trader engages the uncertainty, risk, and probability that must be mastered in trading. He is the author of four books including Mindful Trading: Mastering Your Emotions and the Inner Game of Trading. His work has appeared in numerous publications and venues.

Sonata Trading Computer

The new Sonata Trading Computers are now better than ever. These use the new Intel 22nm Ivy Bridge 3rd genen multi-core processors. They give you around 20% more power using 20% less energy over last years models. The also use the new z77 motherboards that are easy to use and easily overclockable, even for the average user. They can be set to overclock only when you need the power. The multiple-core feature allows you to run many programs at the same time. They also easily connect to the new solid-state drives, which are 100 times faster than the old hard disk drives.

So why does a trader need this power? Today the trading computer needs to have the power to monitor the markets when the volume shoots up. Old computers now lockup when there are volume spikes in the markets. You need power to monitor many charts, view business news, chat rooms, etc. The Ivy Bridge processors run at 3.1Ghz to 3.5GHz and can easily overclock to nearly 5.0 Ghz. Most traders today now use 2 - 6 (24-inch) monitors. More screens improves productivity and usually profit. It is also very important that the computer be nearly silent as traders need that feature to concentrate. These computers starts at $1299.00 at www.SonataTradingComputers.com

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This is a TradeStation Promo and this is how it works Select your trading computer on our site www.SonataTradingComputers.com. Add options you want. Select monitors and a stand if you need them. Then fill out the information and buy it. Call us at 800-288-4266 if you have any questions.

After we get the order we will call you with a TradeStation code number to call Kevin Myslinski at TradeStation Toll Free 1-888-223-9658. For this promo you need to open a new account or a new second account, if you already have one. Kevin will personally help you get setup. The promo allows you to pay off the computer with TradeStation commission discounts.

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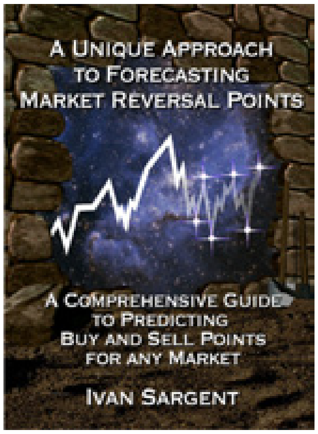
Traders World Book Library

A Unique Approach To Forecasting Market Reversal Points, A comprehensive guide for predicting precise, price and time turning points for any market. Price: $36.00

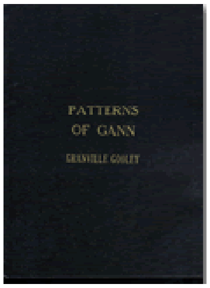


By Ivan Sargent This book is possibly one of most advanced books in technical analysis you will read regarding price and time reversals. Knowing the Price and time of a stocks reversal point is undeniably an important element for to successful trading. Unlike most trading books which use indicators, oscillators, and basic geometry to forecast the markets outcome; this technique uses a series of lines which when accurately placed can deliver reversal points with amazing accuracy. Trend lines, retracements lines, channels, fan lines, pivot points etc, all inspect a stock chart from the outside, which is more or less the obvious point of view. While these techniques can give probable predictions at times, for many of us this just isn't enough. Now what would happen if you were able to analyze charts from what I like to refer to as, "the inside" of the chart? As you read on in the book, you soon will discover an amazing way find reversal points, and finally realize that back doors to chart analysis do exist.

When attempting to look at the market from the inside the main thing you need to understand is that the rules in which how the market is predicted changes completely. Normally when using trend channels or retracement lines to determine the markets trend direction for instance, it's ok to allow the chart to slightly exceed or come close to either of these lines and still be in legal limits for correct analysis. However these rules do not apply to this different type of analysis. This type analysis requires that all lines be accurately placed for accurate predictions. It's a little more work, but at the end of the day it has its virtues.

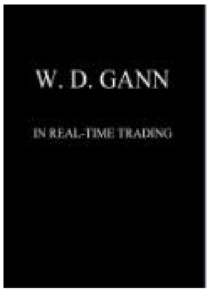
When using tools which allow you to see the market from the inside the predictions that manifest within the analysis are totally different than common technical analysis. Here are two main occurrences that you will notice when working with this type of analysis. A) Exact target points will be forecasted or, B) A complete miss of a target point, and nothing else.

This is not a case of a 50/50 hit or miss. When you apply this technique to the markets it becomes a matter of line accuracy resulting in high target percentage. As you read on through the book, you understand how to use this technique and see how easy and powerful this technique can be when used in conjunction with other analysis.



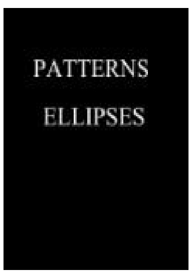
Patterns of Gann Price: $159.00

By Granville Cooley This set of books [included within this bound volume] is not about pulling the trigger. It is not a system on how to make a million dollars in the market in the morning. It is about certain mathematical and astronomical relationships between numbers and their possible application to the number of W. D. Gann.



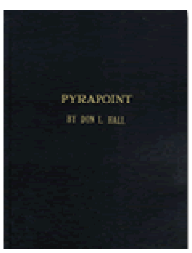
W.D. Gann in Real-Time Trading Price: $69.00

By Larry Jacobs If you feel that you would like to do short term scalping or swing trading in the markets, then this book might be for you. It illustrates many short-term Gann mathematical trading techniques which have a high tendency to work intraday. Various intraday time frames are shown and how they can be used together to keep you in the direction of the market. 200 pages



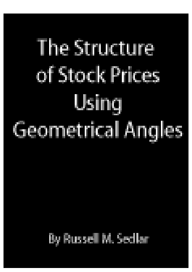
Patterns & Ellipses Price: $49.95

By Larry Jacobs Stocks and futures move in elliptical paths. When a market makes a gap, its price action usually passes into a new sphere. All its activity will remain in the current sphere until it moves into another new sphere. This new book tells you how to use ellipses along with detailed chart patterns to determine if a stock or futures contract is bullish or bearish. 100 pages



Pyrapoint Price: $150.00

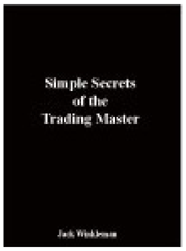
By Don Hall Mr. Hall discovered a secret from one of Gann's associates "Reno" who shared a desk with him on the floor of the Chicago Board of Trade. Apparently Gann carried a piece of paper with him to the floor every time he made a successful recorded trade. Mr. Hall found out what that paper was and developed the Pyrapoint trading method around this. An easy to understand trading software program was fully developed. It creates a natural trend channel and areas of both support and resistance. It's clearly tells you when the trend changes. 300 pages.



The Structure of Stock Prices Using Geometrical Angles Price: $49.95

By Russell M. Sedlar "This chart based book shows how the Geometrical Angles described by W.D. Gann, when used is this newly discovered way, literally become the controlling force of stock price fluctuation, causing tops and bottoms to form and trend lines to be determined."

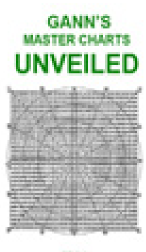
Simple Secrets of the Trading Master by Jack Winkleman $90.00



This is a book put together by Mr. Winkleman and is a very valuable tool. This book tells a trader how to used past harmonic cycles for forecasting future trends. This book is a picture of the markets since 1920 in Soybeans. As an added bonus, it has a track record of the Dow Jones Cash Index from 1900 - 2006. Cycles are nothing more than repeating patterns. Trends follow cycles. This book gives you the key cycles in the market. All you need to know is what those repeating patterns are. That is why the historical charts become so valuable and this is why this book is so important. With the content of the book along with charts, it is nearly 200 pages in length.

Don't get caught in the next market down turm. The method is simple, and easy to follow and is designed to keep your protfolio profitable in these uncertain market times. The ability to anticipate the directional shifts in the S&P 500 market gives you a significant advanage in trading indexes, options and individual stocks.

Gann Master Charts Unveiled Price: $49.95



By Larry Jacobs Complete It is just like a professional athlete, he trains over and over again and when he is out on the field he doesn't have to think when he plays, it becomes automatic. You too, must train over and over again using these methods with historical data before you are ready to go out on the field to play or trade.

Most of Gann's books and courses were written in a veiled language as said by the trading community. What this means is he buried his techniques in his courses. It's there, but the reader has to read and reread his material several times to get anything of trading value out of it. Gann's material is extremely complicated and the trader must have a strong background in mathematics to full benefit from it. Some experts think that he did not put in the books and courses what he really traded with, even though the price of the courses was an unbelievable $3500 at the time he sold them. Converted into today's prices, it would be equivalent to $50,000. He kept the good trading secrets for himself or for those few who could afford to pay him the asking price of $100,000.

One of the trading methods that Gann kept to himself was the use of Pythagorean Square. He also kept secret the hexagon and the circle charts. He went to the land of the Pyramids to study the Pythagorean Square to find its secrets. It's believe that he found someone over there who explained how it worked and how it could be used in the markets.

Also included in this book are many of the archived articles previously written in the Gann and Elliott Wave and Traders World magazine on the Square of Nine. These articles are included so you can get a different viewpoint from experts in the field.

Traders World Online Expo DVDs

The Traders World Online Expos have been recorded and now are available on DVDs. You can just put the DVDs in your computer's optical drives and listen to the entire expos. Below are a listing of the expos. Most of the DVDs contain up to 45 presentations that occurred during the 5 day events from top traders in the world. With these DVDs there is no need to travel to an expo and leave your work or trading. You will understand what strategies work and how to implement them. Learn key trading ideas and tactics that you can use immediately to trade more profitably. So order the DVDs today.

Go to www.TradersWorldOnlineExpo.com

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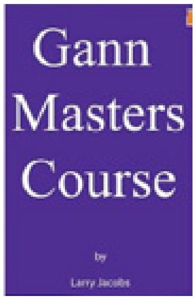
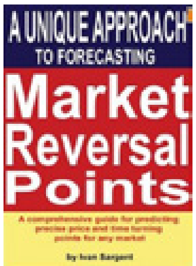
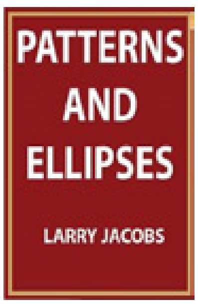


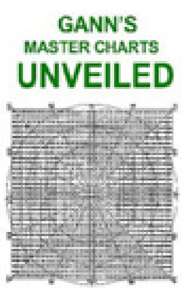
Gann Masters Course by Larry Jacobs $9.95
As you know, W.D. Gann was a legendary trader. Some say he amassed a fortune in the the markets. He wrote several important books on trading as well as a commodity trading course and a stock market trading course. He charged $3000 to $5000 for the trading courses which included 6 months of personal instruction by phone. The Gann Masters Trading Course to help traders become successful.



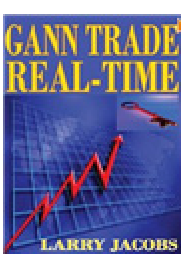
A Unique Approach to Forecasting by Ivan Sargent $32.95
This book is possibly one of most advanced books in technical analysis you will read regarding price and time reversals. Knowing the Price and time of a stocks reversal point is undeniably an important element for to successful trading. Unlike most trading books which use indicators, oscillators, and basic geometry to forecast the markets outcome; this technique uses a series of lines which when accurately placed can deliver reversal points with amazing accuracy. Trend lines, retracements lines, channels, fan lines, pivot points etc, all inspect a stock chart from the outside, which is more or less the obvious point of view.



Patterns and Ellipses by Larry Jacobs $9.99
This book concerns itself with a highly technical subject, the subject of technical analysis of the financial market. This book specifically deals with ellipses and pattern formations used for trading the markets. It also covers many other technical analysis tools that can be used effectively by the trader.



Gann's Master Charts Unveiled by Larry Jacobs $9.99
We know that Gann used the Pythagorean Square because he was found carrying it with him into the trading pit all the time. This square was hidden in the palm of his hand. How did he use this square? Why did he not discuss the use of this square in his courses? There is only one page covering the Square of Nine in all of his books and courses. Was this square his most valuable tool? These and all the other squares Gann used will be discussed in detail in this book with many illustns and examples to prove how they work.



Gann Trade Real Time by Larry Jacobs $9.99
When you opened this book you took the one step that will help you learn how to be successful at the most desirable, but hardest profession in the world. That profession is real time trading. This book is not going to give you an instant secret to day trading. It is going to give you the basics so that you might start the path to understanding how the markets work both short term and long term. You need to know and fully understand the markets and develop successful trading

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