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TRADERSWORLD

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Gann's Proof & Cause of Market Movements The Square of Odd and Even Numbers

Into the Minds of the Masters Part II

The Grain Market Situation Where are we Now?

How to Develop the Discipline to Stop Impulse Trading

Market Timing - The Difference Between Success and Failure

Ratio & Proportion Applied to the Elliott Wave Principle

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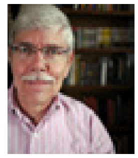

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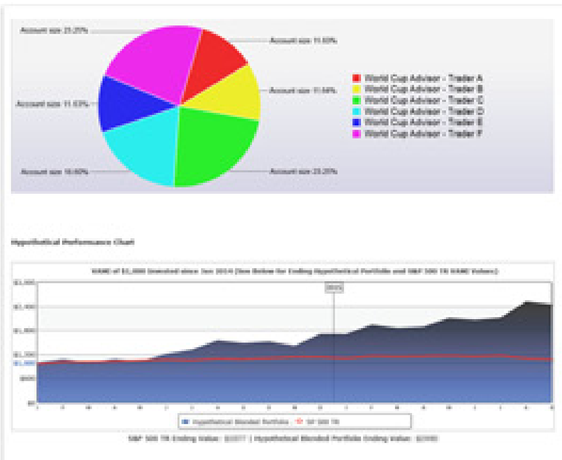

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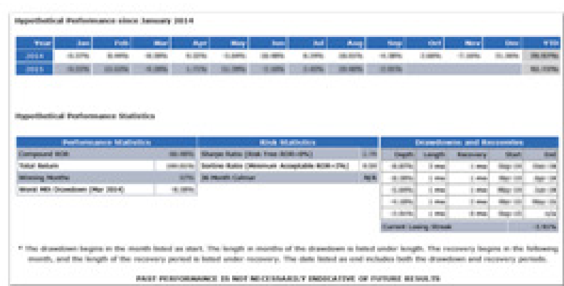

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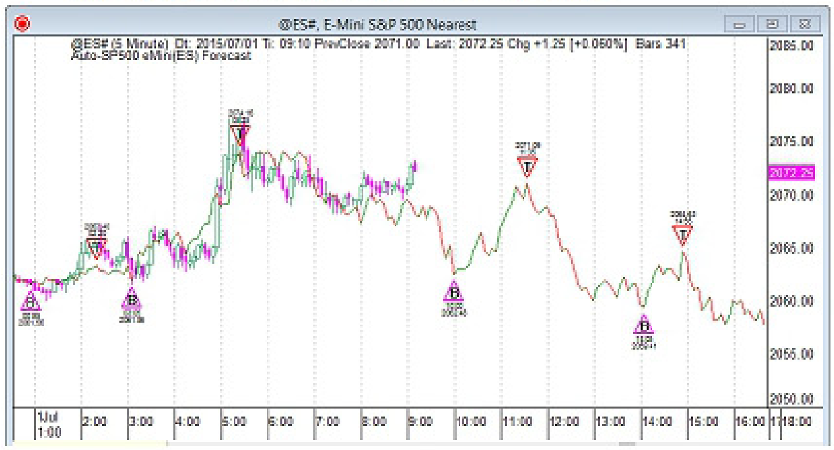

The bottom chart shows the forecast with the data filled in after the main trading session ended.

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Gann's Proof & Cause of Market Movements The Square of Odd & Even Numbers

By Daniel T. Ferrera

W.D. Gann, in his course titled The Basis of My Forecasting Method said: ***"We use the square of odd and even numbers to get not only the proof of market movements, but the cause."*** The natural number squares are 1, 4, 9, 16, 25, 36, 49, 64, 81, 100, 121, 144, 169, 196, 225 and so on to infinity. For many years, this particular timing technique eluded any real practical application.

There were of course times when simple counts of these numbers in either calendar or trading days produced a market turning point at a natural squaring of a whole number in days, weeks or months, but nothing consistent ever presented itself, thus leaving Gann's profound clue about as valuable as doing Fibonacci counts or similar bar counting methods.

This quote along with many like statements, such as: ***"When price and time square change is inevitable."*** would work sporadically, with the traditional interpretation of Gann's instructions for squaring some extreme price high or low as well as the spread or point range between two extremes, but nothing concrete.

Gann claimed that squaring a price extreme or a price range was ***"one of the most important and valuable discoveries"*** that he ever made. In most of his available courses, Gann teaches this technique as follows: ***"The Squaring of Price with Time means an equal number of points balancing an equal number of time periods, either days, weeks or months."***

For example, if a stock or commodity made a price low of $26, then one would watch for a change in trend at 26-days, 26-weeks or 26-months from the date that this price low originated from. If it made and extreme high level at $155, then a change in trend would be monitored at 155-days, 155-weeks and months from the origin. The range would be the difference between these two extremes or 129-days, weeks or months.

Michael Jenkins book, The Geometry of Stock Market Profits has many stock examples of this traditionally understood one to one relationship of price expressed as time, but it is difficult to get it to work on other stocks or markets selected at random.

It wasn't until, digging through piles of old materials and private letters written by Gann, I came across one particular private letter that triggered in me the impetus to re-read all of Gann's courses in order to uncover the meaning of the ideas that he was claiming in these quotes, of which he never provided any tangible examples. I had also never seen other author or Gann expert explain these points, so I became determined to get to the bottom of it.

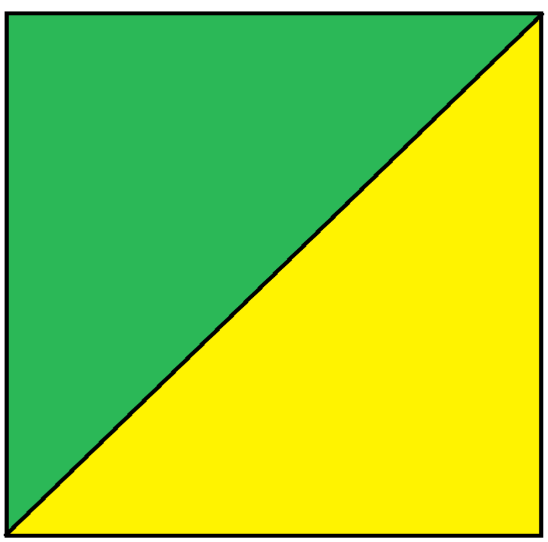
Gann was being honest in expressing his perspective, but just not willing to hand it over to students on a silver platter. Also, Gann had the tendency to scatter pertinent information necessary for a clearer understanding of a particular subject in seemingly unrelated topic headings, making it quite laborious to weave together the full elaboration of each of his techniques, if they were explained at all.

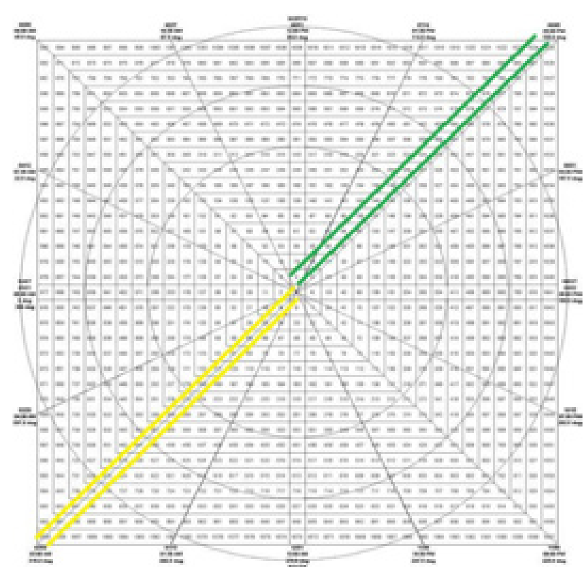
In any event, taking Gann at his word and going back through nearly all of his course materials revealed that Gann was indeed truthful when he titled his course, "***The Basis of My Forecasting Method***." This course is primarily concerned with Gann's geometric angles, which when drawn correctly and linked to the basis of money, do indeed prove to be intimately tied to his price squaring technique as well as his strange quote regarding the square of even and odd numbers being both the proof and cause of market movements.

The later requires some understanding of the Square of Nine, a.k.a., "The Natural Squares Calculator" but ultimately, all of these techniques are part of a common methodology which relates back to the geometric angles as the foundation, specifically, the 45-degree angle.

Gann encoded much of his methodology in the Natural Squares Calculator. This Master Chart can also be used to generate support and resistance levels, which was detailed in other courses and articles. The levels generated are based on the concept of natural number squares representing a 360º cycle as the chart squares the circle spiraling out from its central number 1.

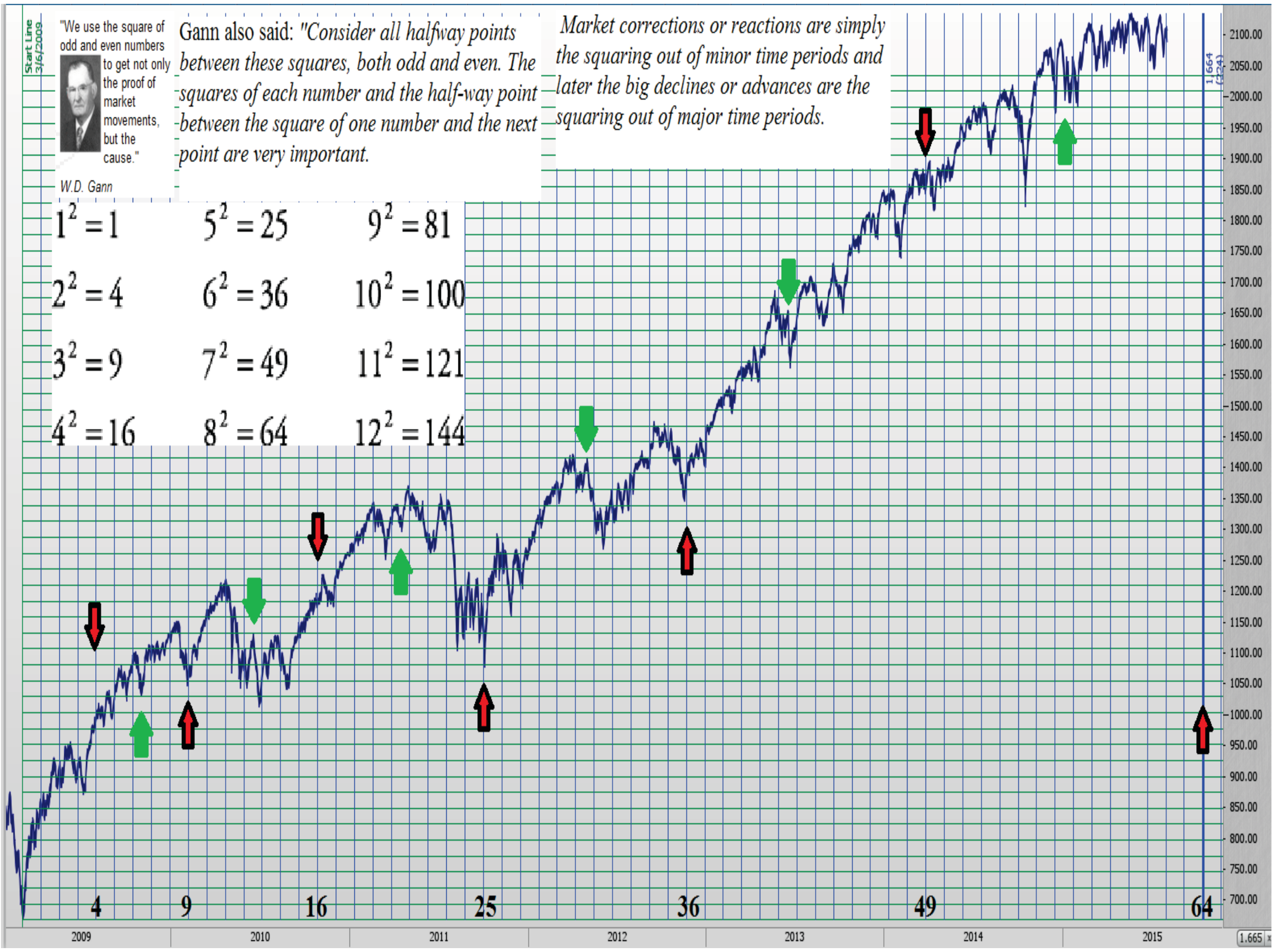
Again, the natural number squares are 1, 4, 9, 16, 25, 36, 49, 64, 81, 100, 121, 144, 169, 196, 225 and so on to infinity. On this Master Chart, the square of even numbers (4, 16, 36, 64....) run opposite to the odd number squares (1, 9, 25, 49, 81....) on a 45º diagonal, representing the diagonal of the square and hypotenuse of a triangle. Therefore, in reality, there are actually two squares on this so-called Master Chart. The square of the even numbers and the square of odd numbers. This can be color separated as follows.





Once a number becomes greater than the square of a natural number, it moves into the next square. For example, the square of 1 is 1, and all numbers greater than 1 are in the square of 2. The square of 2 = 4, so all numbers greater than 1 and less than or equal to 4 are in this square. The first number to exceed 4 moves into the square of 3, which = 9.

The diagonal arrangement of these two natural squares, both even and odd not only symbolically links back to Gann's primary 1 x 1 or 45-degree angle, but also does so in actual application, which reveals what Gann called "The Inner Square." Ultimately, this is a sub-cycle of the larger technique used to Square Price as a balanced time period.



"There is a definite relation between TIME and PRICE."--W.D. Gann

The Square of 8 or 64, occurs on October 13th, 2015 and would be anticipated as a future turning point in this market (S&P500 Index). Each grid or block, if preferred, represents a corresponding block on the "Natural Squares Calculator" more commonly known as the Square of Nine.

Understand that each and every one of the charts turning points was entirely based on a single price point in history, that being the price low of 666.79 on March 6th, 2009. There is no astrology, numerology or other occult Gann wisdom used in this example. Its just math and geometry based upon the geometric angles being “The Basis of My Forecasting Method.”

Once understood, the other techniques of squaring-out highs, lows and ranges as time periods as well as finding the inner square (natural squares), all become integrated techniques based on simple math. This understanding opens up a sequence of valuable tools that give added power and integration to Gann’s most interesting geometrical techniques.

My new course, ***The Path of Least Resistance, The Underlying Wisdom & Philosophy of W. D. Gann Elegantly Encoded in the Master Charts,*** (http://www.sacredscience.com/ferrera/The_Path_of_Least_Resistance.htm) reexamines the full spectrum of Gann’s mathematical and geometrical techniques, developing these principles and other similar tools in great detail, and breathing some new life into elements of Gann’s theories that I am not aware of any ever clearly explaining before.

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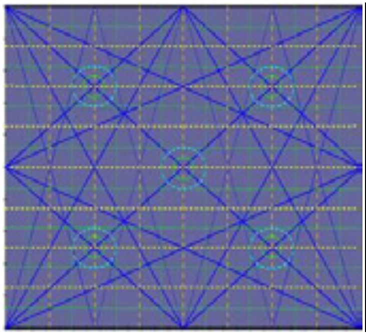

THE TEXTBOOK OF GANN ANALYSIS...

THE PATH OF LEAST RESISTANCE

THE UNDERLYING WISDOM & PHILOSOPHY OF W. D. GANN ELEGANTLY ENCODED IN THE MASTER CHARTS

BY DANIEL T. FERRERA

MOST DETAILED COURSE ON GANN'S MATHMATICAL & GEOMETRICAL TOOLS!

"WE USE THE SQUARE OF ODD AND EVEN NUMBERS TO GET NOT ONLY THE PROOF OF MARKET MOVEMENTS, BUT THE CAUSE." - - - W.D. GANN

- **How to square the natural whole numbers (odd and even), along with their midpoints.**
- **How to define prices scales by "The Basis of Money"**
- **How to set the proper scale, and use the 1x1 angle to square or balance price with time.**
- **How the natural squares (even & odd) sub-cycle would not be possible without understanding the Spiral chart (Square of 9).... expressing the square root as an "inner square" time period.**
- **How to assimilate all of these elements together as a sequential methodology once the "basis of Gann's forecasting method" has been worked out.**
- **How Gann's price squaring techniques and master charts are NOT completely separate and independent methods, but are tied together thru geometric angles.**
- **How the inner square root sub cycle & natural squares of numbers reveals unique market turns.**

INTENT OF THIS GANN COURSE

The intent of Ferrera's new course is to provide the most comprehensive elaboration of W.D. Gann's most powerful technical trading tools. It presents, with great precision, all of Gann's foundational mathematical and geometrical techniques expressed in his master calculators, angles, trend channels, squaring processes, pattern formations, spiral charts and much more, leading to the clear identification of profitable Trade Setups, important trend indications, and critical price/time culminations.

The material further elaborates for the first time ever, a number of Gann's most advanced geometrical tools and applications, such as the natural squares (even & odd) sub-cycle and the square root as an "inner square" time period, which were well hidden within Gann's different courses, but never explained, showing how to properly unify disparate tools into an integrated methodology according to Gann's very specific rules.

There has never been a Gann course that so clearly developed every detail of this element of his trading technology so as to be both easily comprehensible to newer Gann students and highly informative to the most seasoned Gann analysts, providing new insights that most will have never seen. It provides both practical and actionable trading signals and a valuable structural perspective to any market on any time frame.

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FOR A DETAILED WRITEUP ON THIS COURSE INCLUDING FULL CONTENTS, AND SAMPLE SECTIONS SEE:
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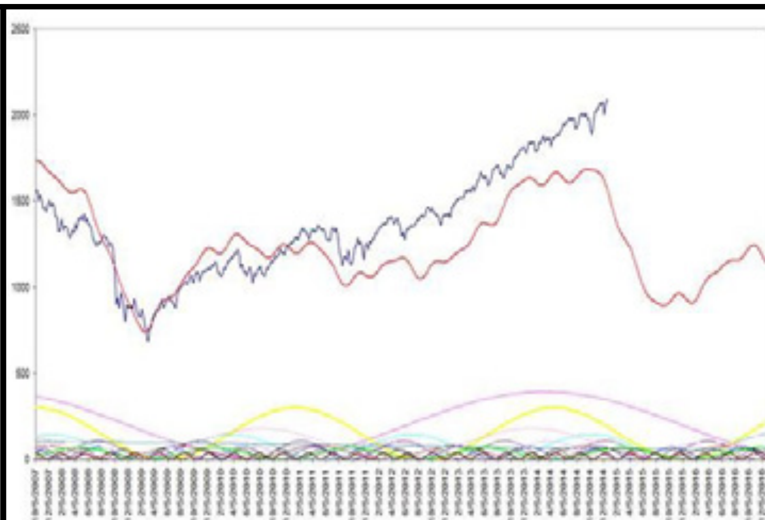

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Into The Minds Of The Masters – Part II

By Chris Vermeulen

W.D. Gann (William Delbert) : 1878 ~ 1955 : Often credited with being a true visionary in terms of understanding the 20th century markets and the natural orders of time/price relationships. Although much of Gann's work remains somewhat mysterious and shaded from the public, recent works have exposed much more detail to the relationships and theories applied by W.D. Gann. Gann himself stated "the financial markets are driven by the Law of Vibration". Gann also stated "the Rate of Vibration of individual stocks and commodities determined the up and down of their prices".

Within this article, we will be exploring how the core components of the "Law of Vibration" as well as the "Rate of Vibration", as identified and applied by W.D. Gann, correlates and applies to the multifaceted techniques we are exploring.

Much of Gann's work includes the work of Leonardo Fibonacci and expounds on new factors such as Vibration and Harmony. These concepts in price action as applied to the financial markets were well beyond their time for the early 1900s when Gann shared this information in a now famous "The Ticker and Investment Digest", 1909 (interviewed by Richard D. Wyckoff). Within this article, Gann attempts to disclose as much as he dared to without giving away the secrets of his hard work and study. Here are a few excerpt from this groundbreaking article.

"In going over the history of markets and the great mass of related statistics, it soon becomes apparent that certain laws govern the changes and variations in the value of stocks, and that there exists a periodic or cyclic law which is at the back of all these movements. Observation has shown that there are regular periods of intense activity on the Exchange followed by periods of inactivity."
My interpretation of this statement is that W.D. Gann was attempting to share the knowledge that while attempting to prove or disprove his theories regarding the Law of Vibration, he identified multiple different phases within the Law of Vibration as well as a correlation to the Natural Laws that exist in all things. Very much like Physics theories and concepts like String Theory, introduced by Albert Einstein, W.D. Gann's concepts and theories crossed the boundaries of existing knowledge and practice with regards to our understanding of Time/Price relationships.

The relationships he described can only be understood to mean there are periodic or cyclic laws or forces that are the underlying driving forces of Natural Laws and the Law of Vibration. By learning to identify these unique dynamic factors, clearly described and attuned by price action and rotation, one can clearly attempt to identify key pivotal time/price relationships that may, with a high degree of accuracy, occur in the future.

“I have found that in the stock it’s self exists its harmonic or inharmonious relationship to the driving power or force behind it. The secret of all its activity is therefore apparent. By my method I can determine the vibration of each stock and also, by taking certain time values into consideration, I can, in the majority of cases, tell exactly what the stock will do under given conditions.”

Here, as I interpret W.D. Gann’s statements, he is suggesting his analysis of market price action falls into two categories of activity; harmonic and inharmonious. Thus, first we would simply attempt to use something like the Gann Square of 9 to determine if market price rotation was harmonious to the cyclical and Vibrational laws Gann had established, if so, then we may be able to more clearly identify the time cycles that the market is exhibiting and then establish critical support and resistance levels based on where market price is located within the support/resistance levels identified by the Square of 9 formula.

One could assume that more intimate knowledge of the size and velocity of price rotation within the chart would assist in determining the Cyclic and Vibrational variances one could rely upon more heavily. One could also entertain the concept that longer term analysis of price charts, Daily, Weekly and Monthly, would produce some very clear price targets in both directions given the level of Vibration the market is exhibiting.

I find these statements and theories to be undeniable. Many of the best traders I have ever witnessed had an immense amount of intimate knowledge regarding the symbols/markets they traded and often, by simply attaining a vast amount of experience watching and exploring the price action of said markets. These individuals were often able to pinpoint key price reversal areas well in advance of price movements and make seeming impossible trades based on “gut experiences”. We can now assume these traders were not lucky, but skilled beyond their wildest expectations by the simple fact that they had, in some way or capacity, inherently identified many of Fibonacci’s and Gann’s concepts and theories, put them into practice and were able to adhere to trading practices that achieve results.

“From my extensive investigations, studies and applied tests, I find that not only do the various stocks vibrate, but that the driving forces controlling the stocks are also in a state of vibration. These vibratory forces can only be known by the movements they generate on the stocks and their values in the market. Since all great swings or movements of the market are cyclic, they act in accordance with periodic law.”

Keeping in step with some of the Fibonacci rules, this one statement by W.D. Gann illustrates one key factor of all his greatest teachings; be like water. I interpret this statement as a warning that all markets are volatile and fluctuate in vibration rates at different stages of price advance and decline. Thus, what was vibrating at one level 15 minutes ago, may not be vibrating at the same level now. Additionally, the controlling factors, a wide scoping term for the Law of Nature, Cyclic/Periodical, Harmonic and Inharmonious price activity as well as Fibonacci time/price symmetry are all in a state of constantly varying activity and vibrational turmoil. Gann is stating that one has to continually adapt to the constant change in the markets at all times and to gain the ability to properly observe, identify and adapt to these changes to become more adept traders.

One component of advanced technical analysis I learned many years ago was the concept of “failure to fail” and “failure to succeed”. In short, the action of “failure to fail” results in a SUCCESS. The action of “failure to succeed” results in a FAILURE. Therefore, knowing and understanding that, as traders, we can adapt to any changing market conditions by using this results hypothesis allows us to develop a means of quickly determining a proper course of action with our trading decisions. I believe much of Gann’s analysis is based on similar principles from the simple observations I’ve referenced herein.

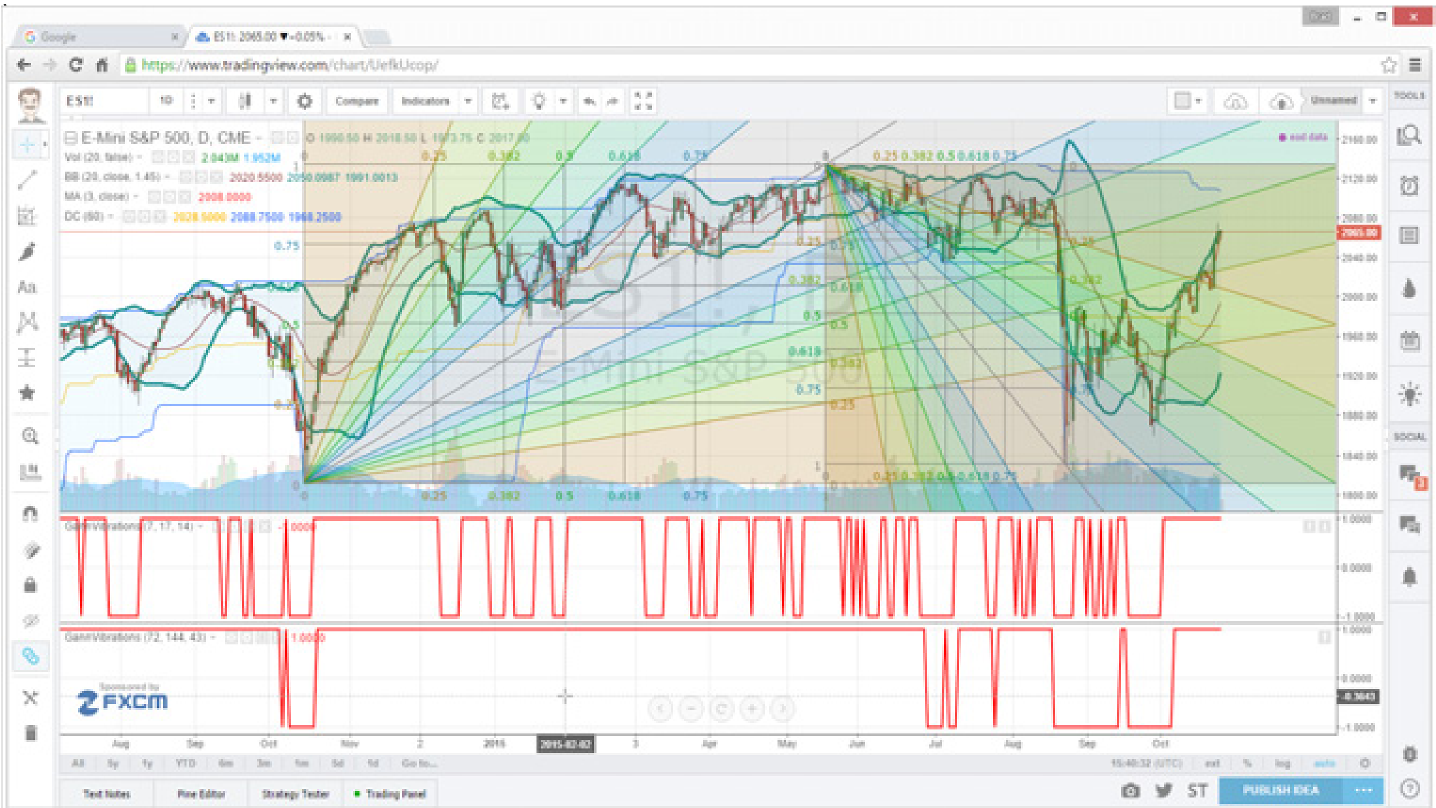
Thus, I affirm every class of phenomena, whether in nature or on the stock market, must be subject to the universal law of causation and harmony. Every effect must have an adequate cause.

This final statement is very telling in the nature of the all-encompassing structure and simplicity of the statement itself. W.D. Gann is stating that every action, reaction and price formation MUST be a result of the universal laws in conjunction with causation and harmony as related to Gann’s theories. In other words, there is no chaos in the markets. They are not random in nature. There is a direct cause and effect mechanism at play in all aspects of the markets, life, the universe and nature. This “natural universal force”, as we may call it, must be similar in nature to Einstein’s String Theory or some of the other Quantum Physics theories that propose that “all things are related to one another and that all opportunities, events and outcomes are possible at all times”.

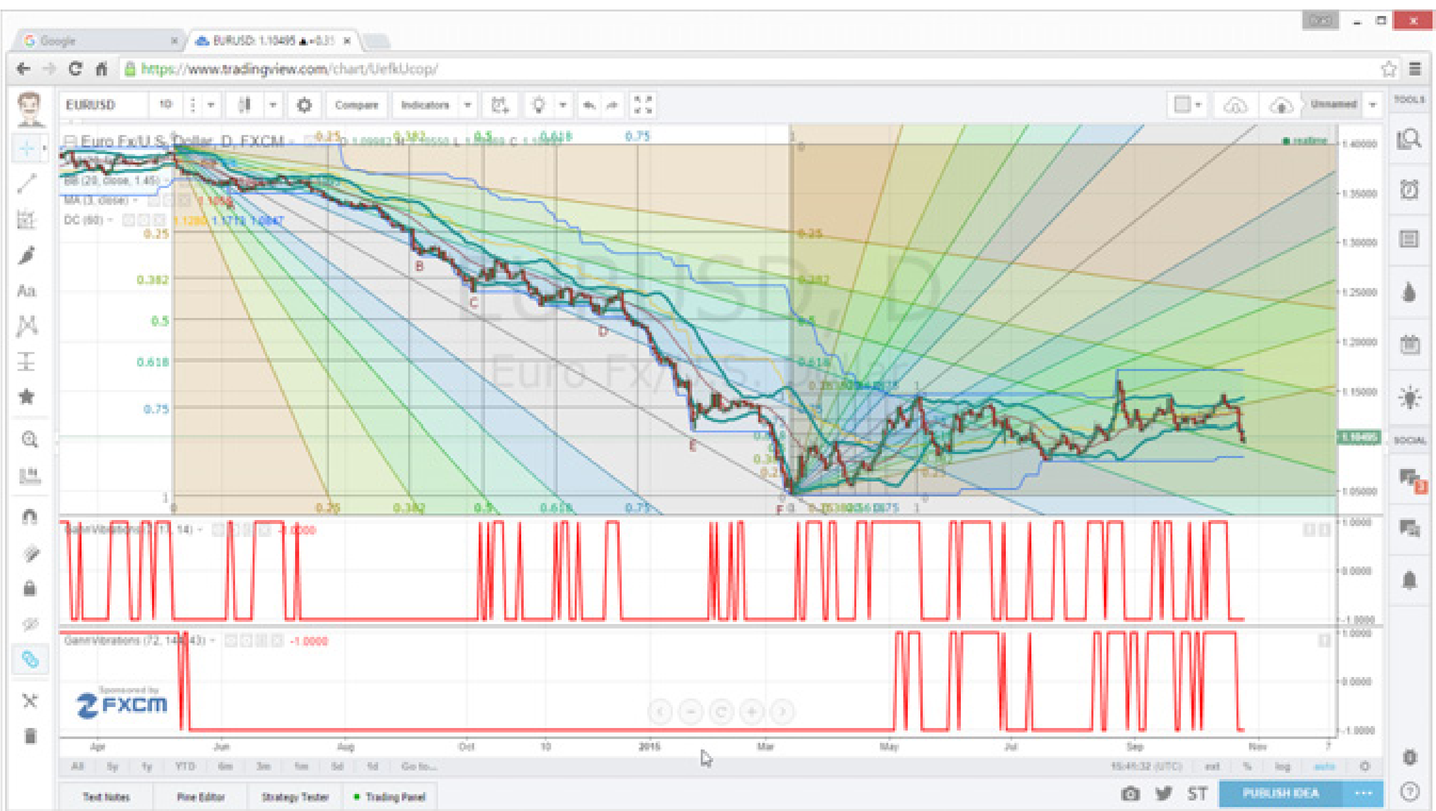
When one considers this condition as it relates to the financial markets, the Bruce Lee quote comes to mind in regards that water will find the path of least resistance in almost all cases and that water adapts and molds itself to the constraints of its environment. Therefore, much of Gann’s trading structures must be based on the concept of identifying the key vibrations and market turning points in past price action as a key to knowing when and where future potential price objectives and turning points may occur.

The following examples expand upon our previous analysis by attempting to identify and visually represent Gann Vibrational analysis in conjunction with our Fibonacci price analysis. By combining these two somewhat similar, yet unique, methods of analysis, we hope to be able to present an example of what W.D. Gann might have been seeing as some of the “underlying forces” that drive market price activities.

Daily ES (S&P) Chart with Fibonacci Extension values & Gann Vibration indicators applied.



Daily EURUSD (Forex) Chart with Fibonacci Extension values & Gann Vibration indicators applied.



The Gann Vibrations indicators attempt to identify any variance of vibration in the markets by identifying price rotation in comparison to historical price activity. As W.D. Gann stated, these vibration cycles, as well as many other factors of market analysis, are constantly changing. They are very likely NOT a sine wave structure and more like a seismograph; measuring price rotation and cycle structure as it happens.

Please notice the upper Gann Vibrations indicator is measuring the shorter term vibrations in price action whereas the lower Gann Vibrations indicator is measuring the longer term vibrations in price action. This is an attempt to more clearly illustrate that these vibrations, as measured in comparison to historical price action, can vary in length and intensity as well as may encompass very large price moves.

Within these examples, one would interpret a 1.00 value as an "upward vibration" and one would look for the highest high/close that occurs within that upward vibration or cycle. The opposite would be true for a -1.00 value. A -1.00 value would be interpreted as a "downward vibration" and one would look for the lowest low/close that occurs within that downward vibration or cycle. One would also watch for cycle intensity to increase or decrease over time. This activity would represent frequent uncertainty in market price/vibration activity which would lead one to believe that increased volatility or more immediate Gann price targets (see Gann's Square of 9 models) would present more highly probable price objectives.

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The Grain Market Situation Where Are We Now?

By
Daniele Prandelli

It was June 8th, 2015, when in my Newsletter I sent to the subscribers this Wheat chart, following the comment:

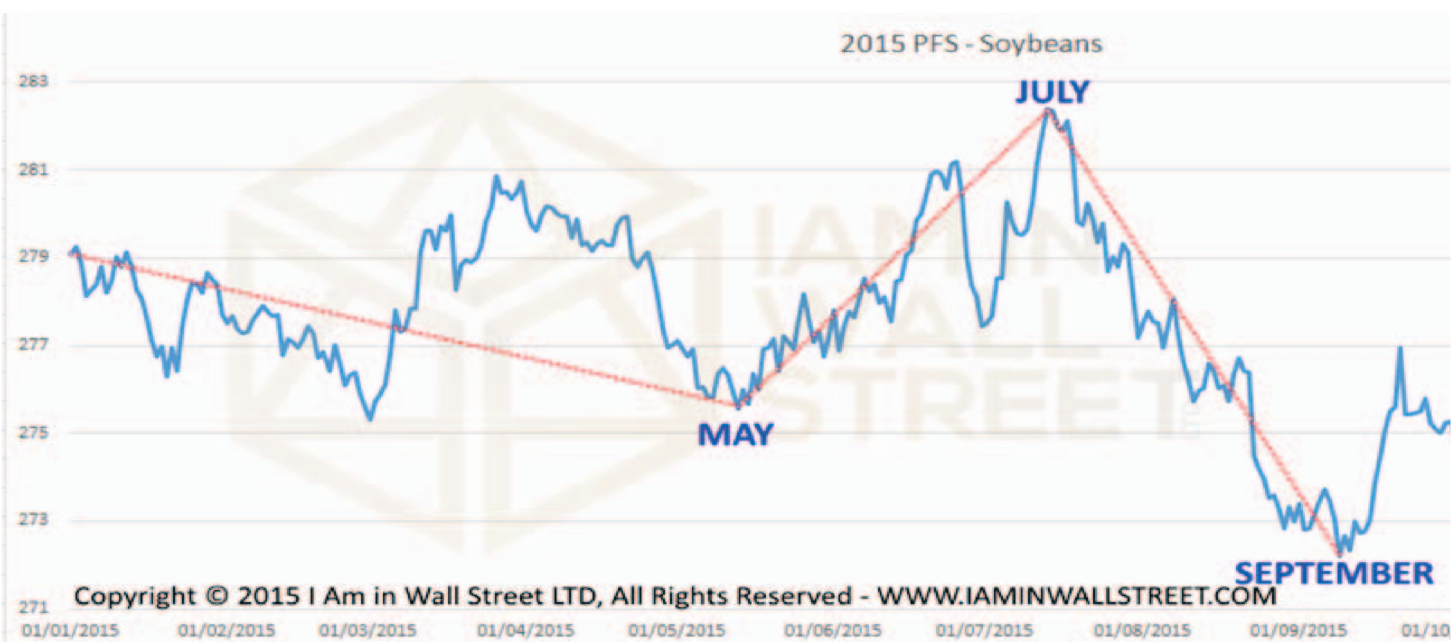
Today we will look at a new Market which we are introducing in our Report Service: Wheat. We think there is a good opportunity for a new uptrend in this Market, even if it may remain sideways for a while. This simple chart shows something important:

Working with grains often means working with horizontal price lines, and here we have an example. Because of many factors, we see Wheat is in a very good position in terms of a risk/ reward. The following Chart was published a few weeks ago in our Report Service, and was not a bad call!

You can see on the current chart how this level was never crossed and we could make many profitable trades buying near 450:

The Newsletter was sent out on June the 8th, the first good profits were made in the same month, where you can see the strongest upward push of the year. Obviously there is not only the study of the price behind it, but also a study of the forecast.

The study of the price and the Forecast is also very important for Soybeans and Corn, and you can see from our studies how it was actually easy to trade them following our work. This is the Forecast I sent to my Bulletin and Report Subscribers for the 2015, and we can say that



also this year it is working very well.

Let's start with our forecast of Soybeans. This is the 2015 Forecast Model (PFS-Polarity Factor System):

And following is the Soybeans chart of 2015 till today:

The Forecast model was published in December 2014, in my 2015 Soybeans & Corn Bulletin.

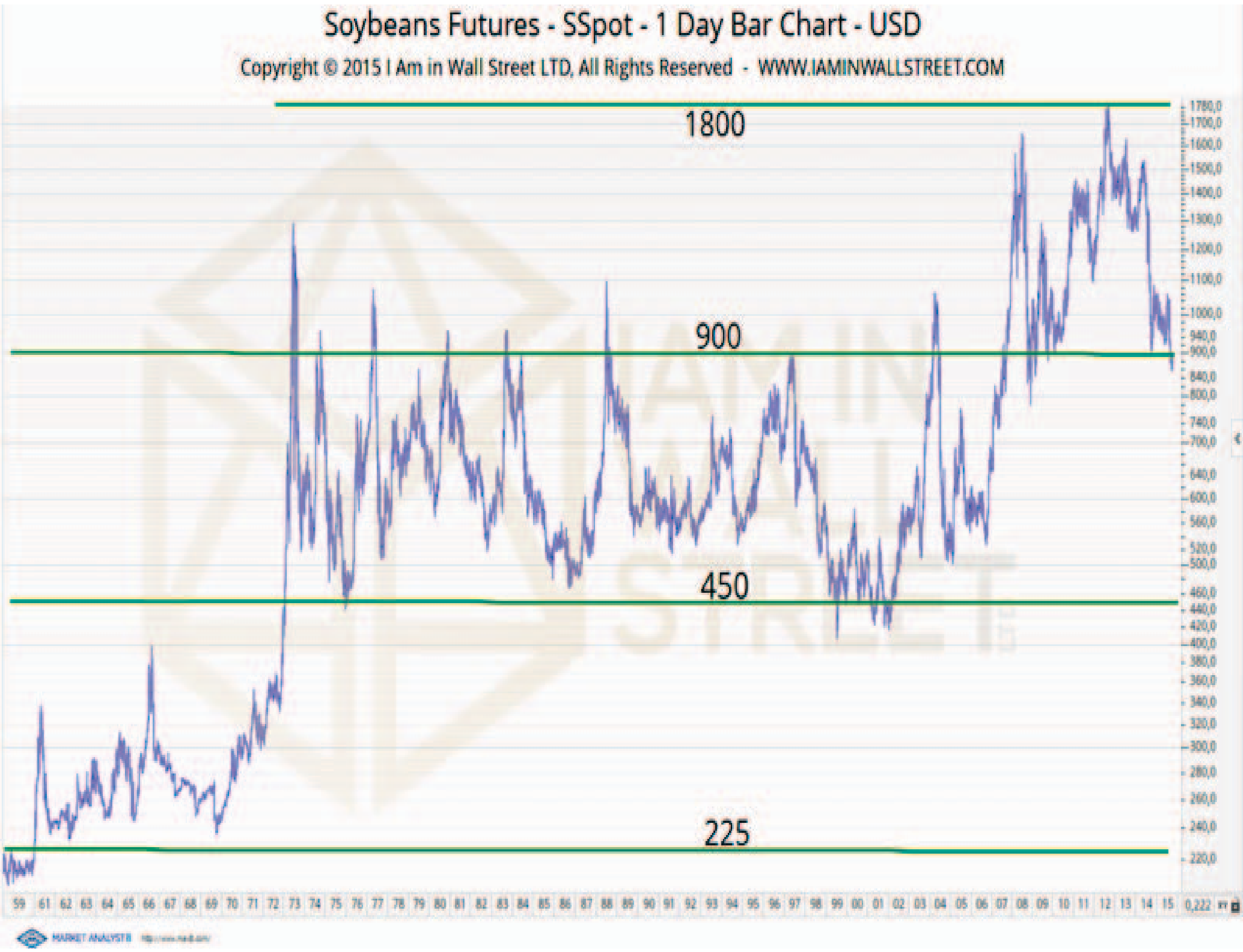
Our forecast for Corn was similarly accurate since, as you know, they move quite similarly.

Like I said before, we mainly study the price structure and the PFS Forecast. You have seen how the forecast worked very well, and on our website you can also see how the 2014 Forecast worked properly, giving us the opportunity to know in advance the main trends to follow: (http://www.sacredscience.com/Prandelli/Prandelli-2014-Grain-PFS-Bulletin-REVIEW.htm)

However, I think that a forecast alone is not enough to be a good trader, because we don't make money by just producing a forecast, we make money when we have a good plan to trade the forecast, and the best thing to do is use price structure. I use many studies to do that, but the most important, in my opinion, are the Planetary Lines and Geometry. Obviously, I cannot explain here how I do that in detail, but today I feel I want to share with you a geometry that can help you to understand where Soybeans are in "space". This is a very simple geometry, but probably new to some for this Market.

Soybean shows an expansion of trading ranges the higher it gets, and in the same way, the lower it gets, the more the trading range becomes smaller. It's easier to explain with Charts and numbers:

The top of SOYBEANS is: 1800 (2012)
1800/2=900 this is the first range of the price action of Soybeans, 900-1800



900/2=450 this is the second range of the price action of Soybeans, 450-900
450/2=225 this is the third range of the price action of Soybeans, 225-450
Here is the chart with all these divisions:

Up til 1960 the market was under 225, once it moved above it, 225 became the most important support for the next 9 years. 1973, strong movement above 450, a new era started, the range of Soybeans became 450-900, and 450 is the most important support area for the next 35 years! We see some movements above 900, but only during emotional and fast events.

In 2008 the final consolidation above 900 makes Soybeans reach 1800, and now we are again around 900. Hence, you can understand we are right now around a very important level, which means we can plan to do a great trade, from here a new trend should start!

Should we use this level to follow the uptrend or the downtrend? This is part of the forecast and the strategy! If you are interested to our forecasts and studies, you can read more abot our PFS Forecast Bulletin for the Grain Markets at: http://www.sacredscience.com/Prandelli/PFS-Forecast-Bulletin.htm where you will also find our trading results, and reviews of our forecasts for the past years.

We don't trade only Grains, but also the S&P500, Gold, Crude Oil and more. Yes, I said "we trade", because, first or all we are traders, and on our website you can also see real Activity Statements showing the results of our trading strategies.

In about one month the new 2016 S&P500, and Grain Bulletins will be ready, so stay tuned!

Best Regards,

Daniele Prandelli

e-mail: info@iaminwallstreet.com

Courses & Bulletins: http://www.sacredscience.com/Prandelli/PFS-Forecast-Bulletin.htm

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The CIT Toolbox

By George Krum

CIT stands for change in trend. The CIT Toolbox combines some of the most popular technical analysis tools from our mobile and web based applications, and makes them available on the TradingView platform.

But before we discuss what's included in the toolbox, first a few words on why we chose to release this add-on for TradingView (TV). The reason is simple: TV offers some of the best and most advanced browser based HTML 5 charts which will run on any browser, no matter what Operating system you're using. In addition to dozens of indicators, drawing tools and real time market news, TV also comes with a large and active community of traders with whom you can discuss and analyze your favorite tickers, and who can be an inspiration for generating new trading ideas. And the best part is that access is free and universal, and you can subscribe only to the add-on service you are interested in.

The CIT Toolbox, available from the TV MarketPlace, offers five proprietary indicators which cover different aspects of technical analysis, but work seamlessly with each other. They all share one simple goal: to help you avoid analysis paralysis, and to keep you on the right side of the trade under any market conditions and in any time frame.

Here's a brief description of these indicators with real time examples.

CIT Angles are inspired by the pioneering work of W.D. Gann and automate his powerful tool, making its use effortless for the 21st century trader. Although angles have a lot in common with moving averages, they offer several advantages: first of all, they give clear support/resistance levels which can confidently be projected into the future; and second, they are automatically drawn from swing highs and lows with the help of the built-in swing detection algorithm. In other words, CIT Angles solve two of the major problems facing analysts trying to find a practical application for Gann's ideas:

1. they automatically pick the correct step/rise of the angle, in tune with the unique rate of vibration of the individual ticker, and

2. they automatically and in real time select the appropriate swing points from which to be drawn.

Among the other indicators in the Toolbox, they most likely will be the first to signal a CIT. The daily chart below shows that the CIT Angles on the SP500 signaled a CIT on August 19th, preceding a 200+ drop in the index, and then caught the next 160+ point upswing (Chart 1)

The second indicator in the CIT Toolbox is **CIT Pivots**. They are designed to appear only at price levels that mark swing turning points (as detected by the indicator's algorithm). What sets them apart from other swing indicators is their ability to signal CITs with little or no lag. CIT Pivots offer an easy way to keep track of higher highs and lower lows, and for detecting and counting waves. For option traders they provide a convenient tool for choosing strike prices in executing their favorite option strategies. The appearance of a CIT Pivot along with a CIT Angle is a strong confirmation that a CIT has taken place (Chart 1) above.

The next tool in the CIT Toolbox is the **CIT Bars** indicator. CIT Bars are designed to eliminate noise from random price moves, and to provide a novel visual approach to defining trend. As W.D. Gann said: "The great fundamental rule that you must learn in order to be a success is to follow the trend of the market. If you cannot determine a definite trend, get out and wait until you can."

CIT Bars offer several advantages over Japanese candlesticks, Renko, Kagi and Heikin-Ashi charts. They are simple to interpret, they include the element of time (absent from Renko and Kagi), and they can be displayed along with price, which allows users to see hidden support/resistance levels in real time. Another useful property of CIT Bars is that they tend to get longer when the trend gathers strength, and shorter when the trend weakens or is about to end. The chart below (Chart 2), shows how easy it is to interpret CIT Bars, and highlights their ability to filter out the noise from random price moves:

Chart 2

The next two tools make visualizing short term market swings even easier.

CIT Trend is designed to change color when short-term CITs are detected. Its goal is to eliminate subjectivity and emotions from the trading process, and to help you decide when to enter, exit or stay in a trade. **CIT Signals** are designed for those who need a stronger visual stimulus/indicator for when to go long or short, as they change the background color of the chart and are hard to miss. They are based on a pattern recognition algorithm, and can be used as a standalone tool or in conjunction with any other indicator. They are useful in detecting the beginning and end of counter trend moves in an established trend, and as CIT confirmation signals. As a rule of thumb, in order to be valid, a new CIT Angle or CIT Pivot should be confirmed by the presence of a CIT Signal (Chart 3, SPY 30 min):

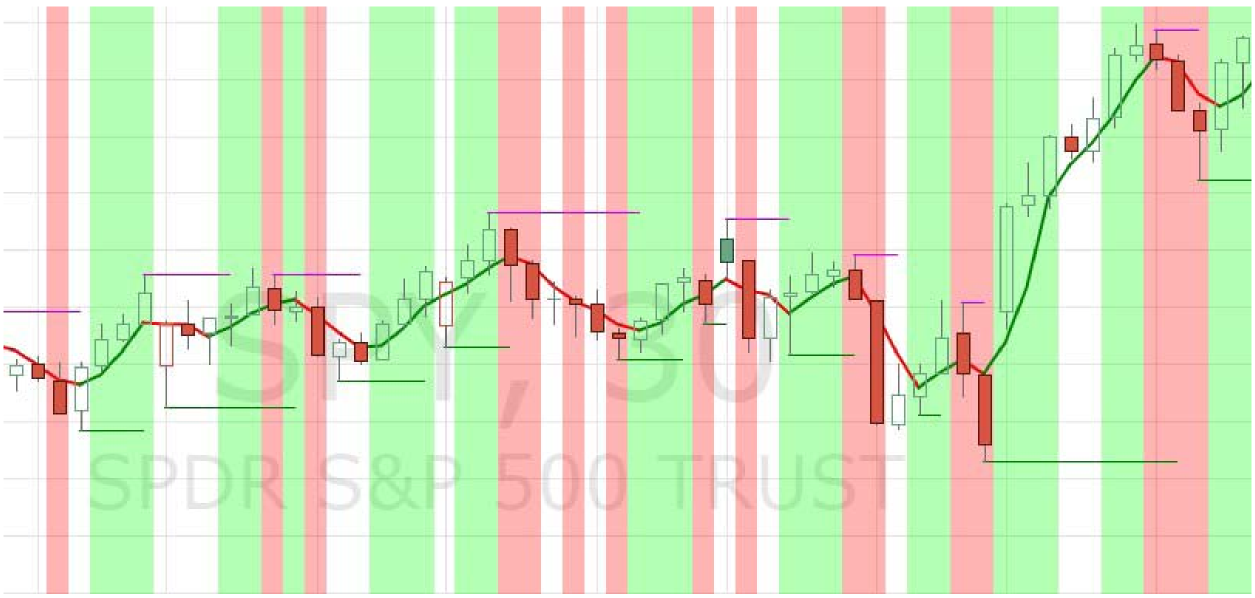
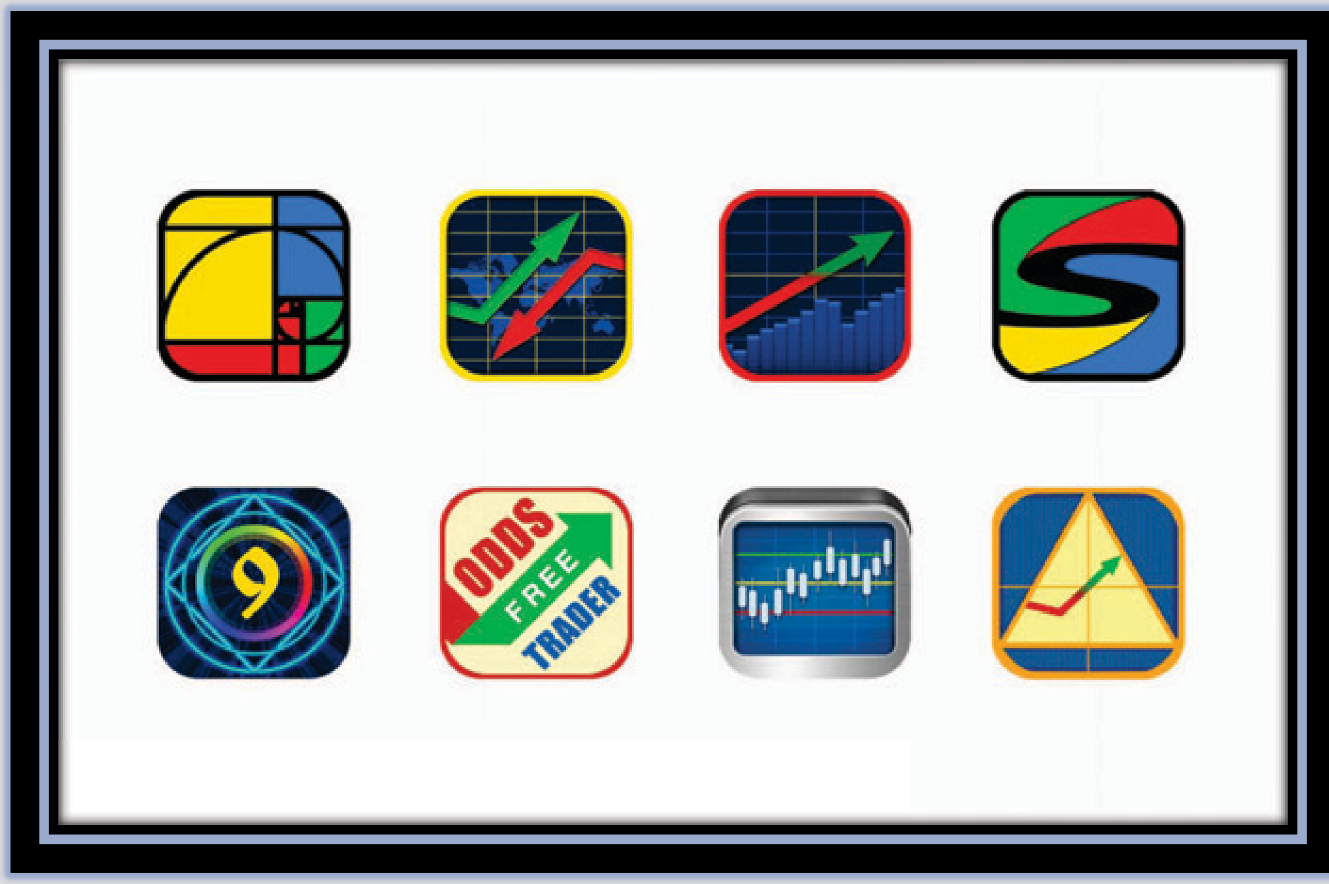


Chart 3

In summary, the CIT Toolbox offers a mix of proprietary swing, trend and pattern recognition indicators designed to give users a complete and unique trading and technical analysis perspective, applicable to any instrument in any time frame. Combined with the advanced charting, drawing and social networking capabilities of TradingView, they offer users a stimulating and profitable experience.



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How to Develop the Discipline to Stop Impulse Trading

By Rande Howell

"I don't know what happened to me. I had been doing so well – I was on fire. Then I took a couple of losses and a need to get my money back seized me. I lost control and my trading rules flew out the window. I wanted to make things happen, but I got creamed and took some drawdowns that I should never have been sucked into. I know better than this, but in the heat of the moment, I can't seem to help myself."

Willpower Is Never Enough

Whether its revenge trading, over trading, over confidence, or chasing trades, many traders experience a world of hurt when discipline fails and impulsivity short circuits the rational trading mind. How many times have you declared, "I'm going to be a disciplined trader and trade my plan?" – only to be ambushed by impulsivity again and again. If you are like most traders with an impulse tendency, this has happened more times than you can count.

Why is chasing trades such a difficult behavior to break? You would think that experiencing the pain of drawdowns would be more than enough motivation to stop impulsivity in its tracks, but it's not. And if willpower alone could stop the bleeding caused by an impulsive mindset, then the problem would have disappeared long ago. But for many traders, that is not the case.

The problem is a complex mixture of both biology and psychology. It starts with your unexamined beliefs about work and action. A trader's notions about work will drive how they trade, for better or worse. Let's first examine how impulsivity and work are interlinked. How many times have you started the trade day with thoughts like these, "Okay, it's time to get to work, it's trading time – it's time to make something happen." ? After all, you have got to be doing something, working, if you are trading – right? You cannot just sit there and expect things to happen. You've got to do something to make money.

Wrong. The very urgency to act, to make things happen, that probably afforded you success in business or corporate life becomes the destructive basis of chasing trades in the brave new world of trading. In your work life before trading, being in charge and in control was such a strong way of proving your mettle and of proving yourself a winner that it became ingrained as a habit that you did not question. When you encountered uncertainty, you forced your will and made things happen. Many a self-made man or woman owe their success to this notion of work as doing.

This very bias to act sooner rather than later is the basis for chasing the trade. With the bias to act already in place, the trader's mind is fooled into believing he is seeing solid set-ups where a rational mind would not see set-ups that are worthy of the risk. The bias to act (chase) produces an over-eager trading mind that sees acceptable trades where a seasoned trader would see none.

The successful trading mind has to be retooled from the "success mind" that the trader brought into trading. The mind that produced success in other endeavors (a bias to act and get things done)is simply not the mind that produces success in trading. Success in trading is built upon the learned bias to be patient. Instead of going and getting the trade, the experienced trader waits for the trade to come to him. Patience becomes the driver of success – not "doing". And the quickest path to trading success is the development of patience as a skill. The successful trader practices patience as he trades, even if it is not natural to him. And he regulates the bias to act on impulse because he has learned that this urgency clouds his trading mind, and he no longer has the patience to think clearly. This usually is a learned process because it does not come naturally.

The Biological Motivation to Chase will Set Up the Trader to Act Impulsively

Have you ever experienced the "rush" traders get when they jump into a trade expecting to win? It feels good, powerful, and confident. Everybody wants to feel this way. But it's dangerous. How can something that feels so good be **so** bad for you? In many other areas of your life, this is the signal that you are in control and in charge of your destiny. But not in trading.

That "rush" that feels so good is a chemical cocktail composed of testosterone and dopamine. The testosterone has you believing you can control (by sheer will power and momentum) the outcome of the action you are taking. (In this case, a trade). The dopamine has you feeling good and confident and powerful. It also causes you to distort risk. In hunting game and in battle, you truly need to believe you are invincible and will prevail. And that is what this chemistry of the mind is all about.

It is not a mental chemistry of managing risk. It is a chemistry of being in control of risk. In trading, it is called over-confidence or irrational exuberance. The thrill of conquering, of prevailing against all odds, has been a good adaptation for the survival of the human species, but not for achieving success in trading. Historically, if the human lost the battle, then his life was gone. It makes sense to believe in your capacity to prevail in cases like this. But the trader wants to live to trade another day.

What does this look like in trading? Let's look at revenge trading. You take a couple of losses. The first one you took just as an everyday hit that every trader learns to take as part of the game. Then the second and third ring your bell. "I've got to get back what I've lost. I'm going to get revenge." In the midst of this danger, testosterone for the courage to fight and dopamine for the confidence that you WILL win, pulse through your veins and get to the thinking brain.

Now you're in a fight that you have to win. A surge of energy catapults you into action. You are going to beat the enemy and take back your ground. You are going to prevail. Clouded by reactive thinking, you sink deeper and deeper until you are fried. There is no enemy that you can see. The evolutionary brain and mind were fighting a war with a phantom menace. Your mind has conjured up the entire battle. There is no enemy. There are only the beliefs that you bring to the management of uncertainty.

The impulse chemistry was seductive and powerful. It made you believe you could win in that moment. Yet the rules of trading are contrary to the rules of biological survival. In trading the rules are built around probability and applying a consistent standard method to manage both loss and reward. In the brain you brought from the past, losing was equated with biological threat. Probability was not an environmental pressure that shaped your reactive responses to stress.

The Messy Part of Impulsive Trading – Personal Psychology

We have examined how past performance and biology greatly influence impulsive forms of trading, but what is going on in the psychology of the trader that keeps him locked into destructive impulsive patterns in trading? In over-trading, the thrill of the chase overcomes your good sense and produces disastrous trading performances. In revenge-trading, the motivation is to get back what has been taken from you. What's the common denominator that hijacks a rational mind and produces impulsive trading?

It is the failure and the meaning of that failure that counts more than the pain of loss. Logically, it seems that if you feel pain, you would stop the behavior that is causing the pain – the drawdowns caused by over-trading and revenge-trading. But that is not the way it works in the complicated psychology of performance.

The trader sees the failure or loss as personal inadequacy. He or she takes it personally, as if the performance resulting in the loss was, in fact, a reflection of the trader's inadequacy, mattering, worth, or powerlessness. And avoidance of seeing yourself as bad or flawed is far worse than the pain of a single loss. In that avoidance the trader has to prove himself by winning. Reacting to perceived threat, the trader has to prove himself and instinctively reacts in anger (a sense of power) to take back what is his. The problem is that anger mixed with fear is driving the thinking of the trader now. Clear thinking has been thrown out of the trading mind until he regains his senses (after the smoke clears from the fire fight).

In over-trading, the trader feels the thrill of winning (of proving how powerful or adequate he is), which creates a chemistry of irrational exuberance that leads to minimizing the potential of risk driven by a belief that the good times are going to roll on forever. By ignoring the pain, the trader jumps in again and again without first soothing the pain of loss. This starts the avalanche called revenge and over trading.

It is the psychological vulnerability experienced by the exposure to uncertainty that causes the avalanche to become dangerous. It is the trader's myth of control over outcome, so important to the trader's untrained psyche, that is busted. And it is this belief structure that has to change for the trader to evolve to a higher level of trading performance.

Only after all the magical thinking about success in trading has proven useless can the trading mind really be built. It is rare for someone to come into trading with a mind that is suitable for trading. Most fail at trading because they realize way too late that they have to become the change they want to see in their trading. Or as an experienced trader once said, "You can fool yourself, but you can't fool your trading account into fooling itself." Your trading account will show you where to look for the problems in your trading and where you need work.

It is possible to retool the mind specially for trading success if you are willing to listen to your trading account as it speaks to you about the pain of loss. This is the beginning of the end of impulse trading in whatever form it takes. You train yourself to separate your personal worth from your performances. This is the great psychological leap that has to be made to move from impulse trading to patient trading.

In the process your understanding of work as "doing" something transforms to the work of patience – waiting for the market to give you what it is willing to give. And for the mature trader – that is enough. More than enough.

Joy & Maintaining Trading Success

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

One of the questions that I ask investors/traders who come to me for coaching is, "What brings you joy in your life?" The answer to this question should just pop out. After all, successful investors/traders are highly goal oriented, disciplined, and ambitious people. How can you have those qualities in abundance and not know what makes you happy? Yet, strangely enough, a fair number of people cannot answer this question.

"Okay, Adrienne," you say, "suppose I'm one of those people who doesn't know what brings them joy...What does that have to do with making money in the markets?"

The answer is that if you do not know what brings you joy, it is very likely that you are not going to be able to sustain a long and successful career. Why?

The Things that Bring You Joy:

Can Sustain You When Things go Bad

When you are having a bad day, when you have experienced a serious trading loss, when you are feeling depressed because a close friend died, when your son wrecks your car, or when you begin to question what life is all about, you need to have things in your life that bring you joy. It is important to know immediately what they are so that you can call upon them to remind you that life is still good, even when some things about life are going badly.

Can Give You a Reason to Succeed

I know a number of individuals who gave up successful careers in the markets because they had no reason to be successful. There was nothing in their lives that they wanted to support, to nurture, and to see to completion.

Give You the Energy, Enthusiasm and Perseverance to Keep Going

Joy is the juice in your veins, the lift in your step, and the air under your wings. It's what keeps you working on that system and finding the answer to that nagging problem.

Combats Depression and Pessimism

Negative emotional states can cause a trader to miss trading signals and fail to take advantage of opportunities. Pessimism can actually result in depression, and can also deepen and extend a depression. Depression, on the other hand can put a rapid end to a trading career.

Make You a Joy to be Around

A spouse who only sees you when you are feeling joyless can begin to feel that you are a liability in her life. He or she may need to fill life with the company of those who make life happy and pleasant. After all, don't you want to be around people who are happy and can make you smile and laugh? A good and supportive marriage is one of the most important assets a trader can possibly have.

Help You to Think More Creatively and More Clearly

Imagination works much better when the mind is at peace than when it is filled with miserable and obsessive thoughts. Great ideas and insights are more likely to come in moments of joy than when the mind is in turmoil. Opportunities seem to abound when you are happy and positive. These same opportunities will be difficult to see when you are mired in pessimism. The most successful investors and traders are able to use intuition as a reliable indicator in making trading decisions. Intuition is available only when your mind is at peace.

Allow You to Feel More Joy in the Things that Normally do not Bring You Joy

There is a 'spill over' effect. When you are able to feel joy in one area of life, it 'spills over' into other areas of your life. This effect works in the opposite way when you are feeling angry, pessimistic and upset.

I once worked with a client who began our session with a long series of sad stories and laments. Clearly, Charles' life had not been going well for some time. His wife had left him, his children avoided him and he had given up his career as a successful money manager. Charles was living with close friends who tried to encourage him to get on with his life and recommended that he call me. When I talked to him, he sounded hopeless. At a point in the conversation, I asked him what brought him joy in his life. He hesitated for a moment and barked at me, "What relevance does joy have to this conversation?" Did I not understand that there was no joy left in his life?

I was undeterred. Joy was the central issue for Charles. If he had nothing that brought him joy, it was unlikely that we would find an anchor to keep him from drifting further from a successful life. Without something to bring him joy, I would have a hard time giving him a reason to succeed. Without a fount of joy, I could not squeeze any excitement, energy or enthusiasm from him for the rigors of putting his life back together.

When Charles and I got together for private work, I pressed him to go back to times in his life when he was doing things that made him happy. It turned out that he had loved to play the saxophone when he was in school. He had also loved to read historical accounts, especially ones about submariners in World War II. In his childhood, he had lived in Connecticut and had loved camping in the woods. As we progressed, he began to discover that there were many things that had once brought him joy that he had slowly abandoned or forgotten. I convinced Charles to spend time walking through the beautiful North Carolina forests near his home, dusting off his old saxophone and starting to play it again, and going to the library to find some of the newer history books and accounts from World War II.

Without conscious thought, Charles began to find a new energy and passion for getting back into the trading game. With his new sense of worthiness, associates who knew his ability as a money manager were eager to invest their capital with him when they saw that the old Charles was back. He is now earning money for his clients and has made positive steps to change his whole life. When I next saw him, he had a bounce in his step, he was dressed like a winner, and he was filled with a sense of optimism. Charles is well on the way to recovering the success and happiness in his life. The lesson for him is that if he had allowed himself to do the things that had created joy in his life, he would not have reached the bottom.

Like Charles, if you cannot answer the question, "What brings you joy in your life?" Then, you can also look back to the days when you were carefree and spent time doing the things that made you happy. As you begin to list them, you will discover that the list will begin to expand rapidly. Check off three simple things that you would like to add back into your life, and then go for it. You will be amazed at the 'spill over' effect on your work in the markets.

Conclusion

If you can figure out what brings you joy, then you can focus your thoughts and energy on those things in your life. The resulting positive energy will seep into the rest of your life, including your investing and trading and will open up new opportunities for success.

ADRIENNE TOGHRAIE, a Trader's Success Coach, *is an internationally recognized authority in the field of human development for the financial community. Her 13 books on the psychology of trading including, The Winning Edge series 1-4 and Traders' Secrets, have been highly praised by financial magazines. Adrienne's latest book published by Wiley, Trading on Target, is available at Amazon.com. Adrienne's public seminars and private coaching have achieved a wide level of recognition and popularity, as well as her television appearances and keynote addresses at major industry conferences.*

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Market Timing – The Difference Between Success and Failure

By Andrew Pancholi

Market Timing – The Difference Between Success and Failure

One of the biggest problems we face as traders and investors is knowing when markets are likely to change direction.

It is well known that the most money is made following trends. However, most trend followers place stop losses above or below the previous swing or even two swings back. Consequently, when the trend does change, a vast amount of profits are given back. This can be as much as half.

This is the case regardless of whether you are holding positions for a few days or several months and even years.

Hence, the value of being able to identify, in advance, time zones of potential directional change is immense and can provide a critical edge.

In fact several advantages are created. Having been caught out myself using the “two swings back rule”, I set out on a mission.

My journey began back in the 1980s and involved travelling the whole globe. Not only did I meet with some of the largest fund managers and traders in the world, including a massive player in the Middle East, I also began firm and long-standing friendships with Nikki Jones and Peter Pich.

Sadly neither Nikki nor Peter are with us today. Nikki owned the collection of the works of WD Gann and Peter was President of Gannsoft Publishing, the corporation that had developed a very powerful program called Ganntrader. I went on to work with Peter until his untimely death.

Peter had previously collaborated with Billy Jones, the late husband of Nikki. Were it not for Billy and Nikki, most of us would not be familiar with the work of W D Gann. Billy acquired the entire collection from Gann’s former business partner, Ed Lambert, back in the 1970’s. Several courses were republished and the word spread. “Gann” became the phenomenon that we now know it to be.

Being close to the Jones family, I was confidentially asked to help catalogue the entire vault. Cody Jones and myself spent the best part of two weeks making discovery after discovery. Gann’s work is now seeking a new home.

That's another story! Contact us!

From 2002, having gained the support of some investors, we built a team and together we programmed what I believe to be the most powerful cycle timing system in the world.

The biggest breakthrough came when we created "The Crisis Matrix". We listed every major crisis we could find and placed them on a spreadsheet. The spreadsheet is five feet square by five feet wide!! The patterns emerging were ones that we had never seen published anywhere before!

We continued to incorporate every type of market timing that we had come upon including

Proportionality
Symmetry
Dynamic symmetry
Static cycles
Dynamic cycles
Seasonality
As well as numerous forecasting techniques.

Another technique came to me after contemplating the subtitle of Gann's novel "Tunnel Thru The Air". This is "Looking Back From 1940". We discovered a very accurate forecasting system by projecting back from the future and this is one of the key techniques programmed into our system.

As the system is complex and requires some interpretation, we distill this information into The Market Timing Report.

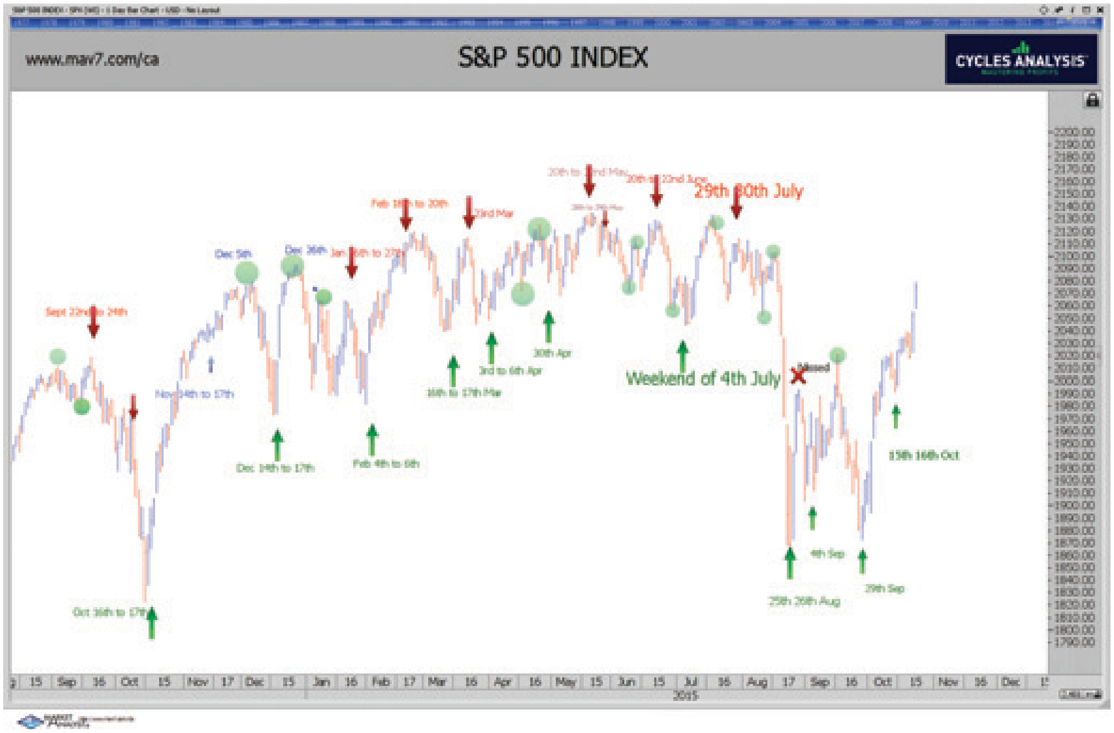
++++++++++++++++++++++

I've known Andy for a number of years. He knows cycles better than anybody I've ever met! When I saw his model, I thought that's exactly the way a model should look!

Harry S Dent
NY Times Best Selling Author and Forecaster

++++++++++++++++++++++

The output from this system has been very accurate as The Market Timing Report testifies. Each month, in advance, we write the key dates down where we expect turns. All but one of the covers has nailed all the major turning points of the year.



Not only this, the pilot report provided the time and price, *to the day* and to within a handful of ticks of the major high in the Euro, from which we have seen a $.36 decline or put another way $36,000 per contract. Readers were also forewarned of the cycle that caused Oil to collapse.

The August edition not only forewarned of the impending US Equity sell-off, it even gave the date of 18 August as a key cycle date. The rest was history. Using this information our funds were up 11% during that month. These are just a few of the major successes.

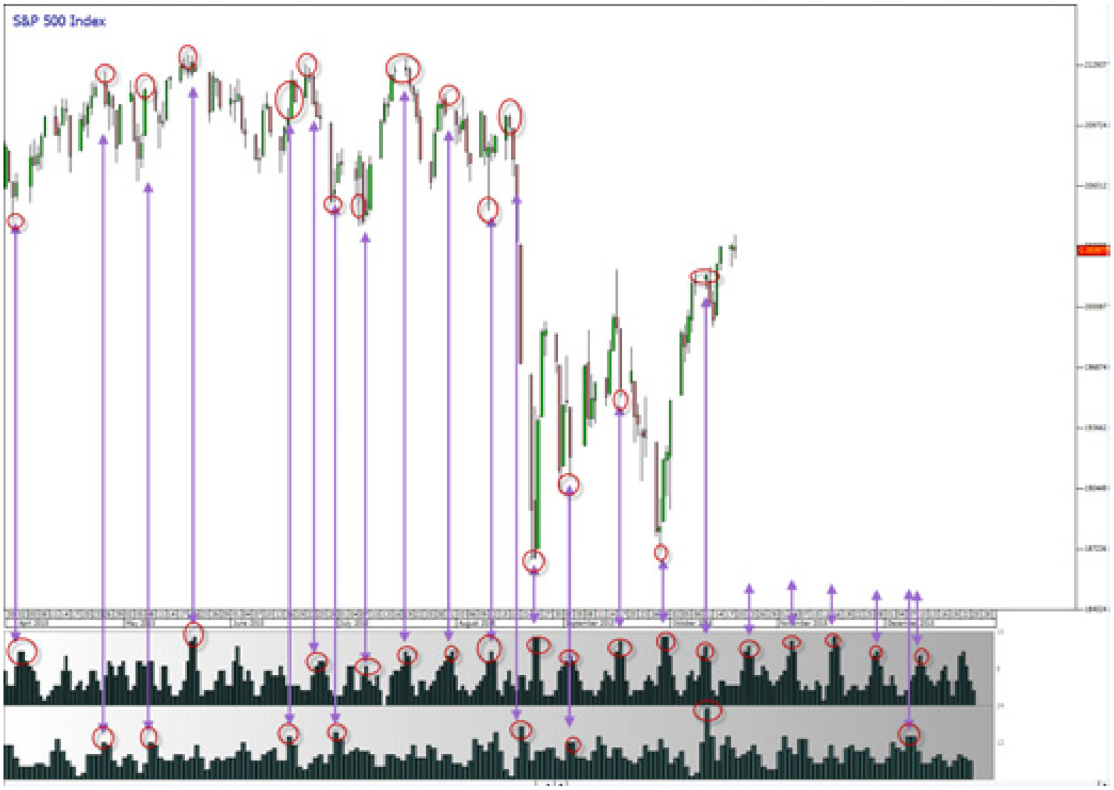
The Market Timing Report is not a stand alone product. It is not the Holy Grail and cannot be used in isolation.

It is not for those who have no system, either fundamental or technical.

Focusing on S&P500, Crude Oil, Gold, Dollar Index and EURUSD, it is an excellent tool to fine tune position and campaign entry and exits when combined with other techniques.

The complexity of the cycle sets involved can be resolved by as shown broken down into different histogram sets.

The simplest way of explaining this is that wherever there is a histogram spike, a turning point can be anticipated. The spikes on the lower display are circled in red, as too, are the corresponding turns. Notice spikes circled into the future. These are times when we can expect potential trend change.



Practically speaking, this means that these are time points when existing trending positions will be at greater risk from reversals or occasionally accelerations. When these timing points coincide with price support and resistance levels, we know these levels are likely to hold. Conversely, how often have you used a Fibonacci level and the market has just gone through it like a knife through hot butter? If price is approaching such a level the timing cycles provide confirmation of their validity.

These would be times when stops should be moved closer or positions partly offloaded, in other words, profits taken.

For portfolio managers these are occasions when hedging should be increased or profits taken. Conversely, if no great cycles exist then there is a high probability of the trend remaining intact.

The Market Timing Report enhances probability for traders who use The Commitment of Traders Reports – these can often reveal potential unfolding trends but are inexact in timing.

Results for Murrey Math traders can be greatly improved, too, in the same way as Fibonacci traders, as mentioned above. You will get a greater feel for which levels will hold.

It goes without saying that this information is vital to all trend followers.

We have found the use of Andrews Pitchforks to work extremely well with The Market Timing Report. Here is a perfect example:

The December edition published Nov 30th last year stated:

> **S&P500**
>
> December 2014 has distinct equity cycles. Traditionally this month is home to the final part of the Santa Claus Rally.
>
> Several cycles are coming into play. Most notably there is an intermediate weekly cycle for the week ending 19th Dec. Within this week the 17th and 18th are standing to attention. Not just on the S&P500 but also on the German DAX and the $VIX volatility index. The UK FTSE does not escape either. So something is definitely afoot with this high level of cross correlation. This time zone does coincide with option expiry so it will likely be very lively.
>
> Other key daily cycles are 5th Dec (The Nasdaq has many cycles for this first week) then the 26th Dec. Once we hit the Christmas holiday period volume can be light and so we may see some swings of note.

This is what happened:

However, the real question is how to trade such points. This is how we did it.

The time cycle on 5th Dec coincided with the market retesting the upper parallel of the pitchfork. Our next time target was the 17th Dec and the market traded on the median line (almost coincident with the .382 retracement) - there is an 80% probability of the market reaching this. It was a safe stop and reverse with the next time window being the 26th.

As the report is published monthly we do not focus on price. But this is not a problem as we know which way price is heading into each turn point. A review of the market structure at this point always provides sufficient evidence.

The most potent benefit is knowing "when" an "event" may be about to occur. Trading INTO a cycle can be more effective and profitable than trading OUT of the cycle because you are not trying to pick a top or bottom.

The report also looks at seasonality identifying high probability moves as well as stating significant daily percentage directional moves.

For example, since 1985, the S&P 500 has been up on the 28th October, on 71.1% of occasions. This information is valuable. If the market in in an uptrend and there is NO cycle, then the move has a high probability of continuing up. Conversely, if the market is sitting on support then a reversal is more likely.

Daily statistical probabilities of note since 1985

28 Oct
71.1% Up

The benefits of The Market Timing Report when combined with other systems can bring incredible synergies.

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We will also be releasing individual annual reports on Wheat, Corn and Soybeans. Please check the Traders World Site for more information in due course.

Ratio & Proportion applied to the Elliott Wave Principle

By Peter Goodburn

Ralph Nelson Elliott left us a great legacy in his monograph 'The Wave Principle' (1938) and it has most undoubtedly stood the test of time in its robustness as a tool for price-prediction, especially during the last decade when many other methodologies have collapsed. It has its detractors though, and despite being a strong advocate and practitioner of the Elliott Wave principle (EWP) myself, am sympathetic of their dismissive remarks. Why is that? Simply put, some big calls or forecasts have not unfolded in the way we might have expected or hoped – certainly, I have experienced failures too. Some have worked quite well, but then degraded over time making them redundant sometime later. The EWP is so dynamic in its predictive qualities that there is a 'human' temptation to make bold statements at key intervals – but in the heat of the moment, obvious clues get missed. There is one element to the EWP however that is the key in resolving this issue – and that is combining Elliott's original concept of Pattern Repetition with his less known studies of Ratio & Proportion.

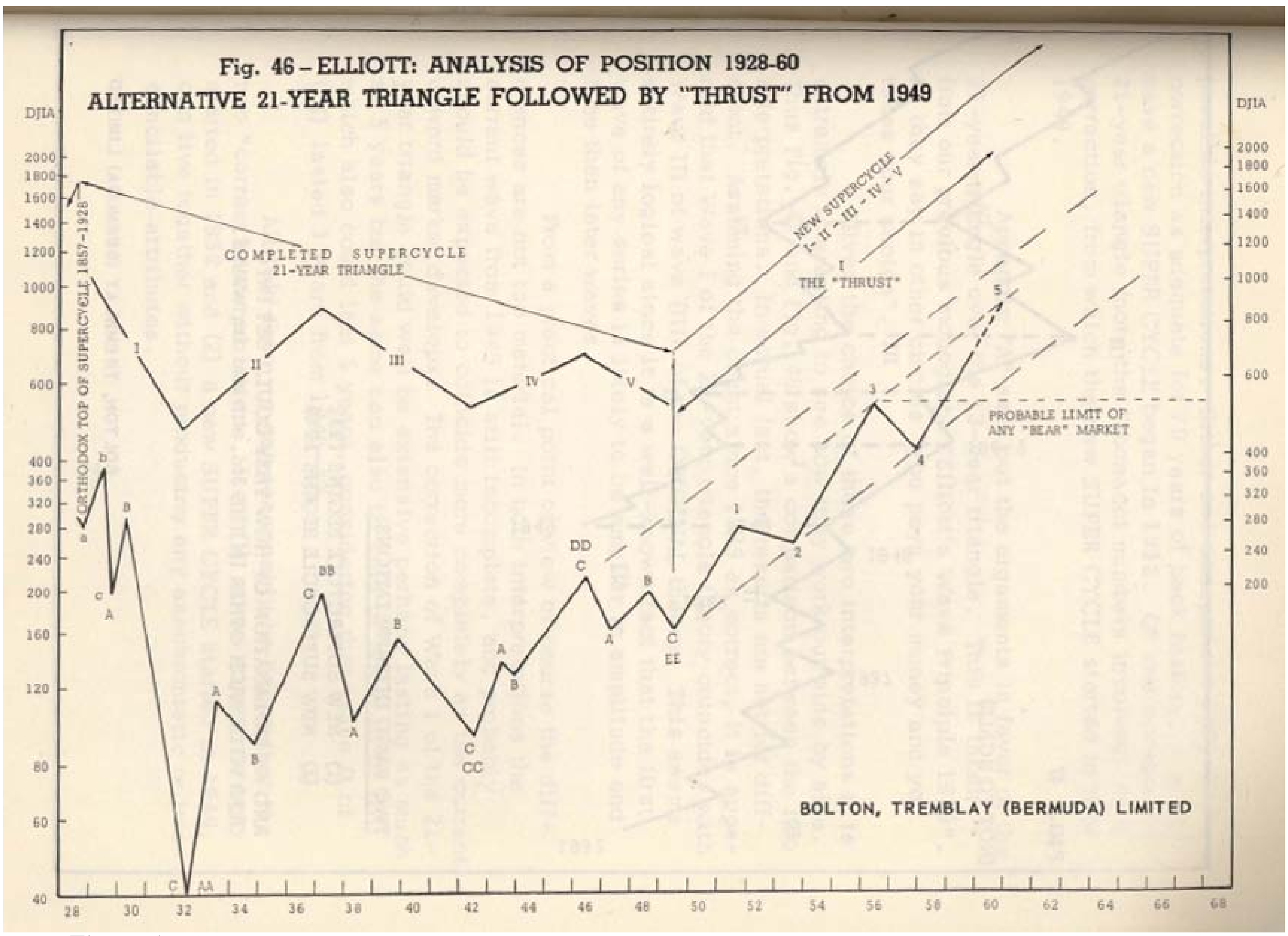


Figure 1

Elliott's Introduction to the Fibonacci Series

Soon after publishing The Wave Principle, Elliott was sent several books, recommendations and various articles related to Natural Laws of science & metaphysics by Charles J. Collins, director of Investment Council Inc. These included works from Professor Arthur Henry Church entitled *'On The relation of Phyllotaxis to Mechanical Laws'* and Sir James Hopwood Jeans' *'The Mysterious Universe'*. This also led to Elliott's investigation of the Fibonacci sequence that he referred to in his *'Educational Bulletin'* dated October 1, 1940 in which he stated "*The Basis of the Wave Principle is very old…Pythagoras in the sixth century B.C., Fibonacci in the thirteenth century and many other scientists, including Leonardo da Vinci and Marconi, have all shown that they were aware to some extent of this phenomenon… Fibonacci was an Italian mathematician…His Summation Series of Dynamic Symmetry agrees in every respect with the rhythmic count of the Wave Principle…*".

What Elliott read and learnt in the years that followed his receiving those books from Collins ignited his fascination and shaped his theories of the Wave Principle around the concept of the Fibonacci Summation Series and its inherent relationship to 'Ratio & Proportion'.

Elliott / Collins / Bolton's use of Ratio & Proportion

Although the Fibonacci summation series did distil Elliott's concept of Natural Laws governing the progress and regress of his waves, he mainly gave emphasis to the fact that five waves of 'trend' and three waves of 'counter-trend' totalling eight are numbers of the series. Only sometime later did he examine Fibonacci-Price-Ratios (fib-price-ratios or FPR's), the derivative of the series, and began applying these to both time and price activity. The common reference used was the 'golden ratio', 61.8% or its reciprocal 161.8%. There are scant references of its use but in another of his *educational bulletins* dated August 11, 1941, Elliott described a decennial triangle unfolding in the Dow Jones Industrial Averages that began from the (orthodox) peak in 1928. The triangle appears as the same structure that we know today, consisting of five price-swings unfolding into a sideways trading range enclosed by two narrowing boundary lines that form towards an apex. In this article, he lists the successive waves unfolding to ratios of 0.618%, the origin of this formula that we use today - **see fig #1**.

C.J. Collins published a supplement to the Bank Credit Analyst (Bolton, Tremblay & Co.) in 1957 that forecast "*…Primary V could be quite sensational, taking the DJIA to 1000 or more [in the early 1960's] in a wave of great speculation*". This proved uncannily correct even though it took until 1966 to be fulfilled – despite this, it is not obvious how Collins measured the advance that turns out to be the top for cycle wave 3 as quoted in Frost's & Prechter's book although we do know that three years later, Bolton used the fib. 161.8% (correlative) ratio of the 1949-56 advance to the subsequent low on 1957 to determine the high to 999 – but these men were in correspondence together after Elliott's death in January 1948.

As A. Hamilton Bolton stated in his critical appraisal of the 'Elliott Wave Principle' (1960), *"The ratio of 61.8 to 100 and 100 to 161.8 became a central part of Elliott's theories in regard to both TIME and AMPLITUDE. Thus Elliott pointed out a number of other coincidences. For instance the number of points from 1921 to 1926 (i.e. the first 3 waves) were 61.8% of the points of the last wave* *from 1926 to 1928 (orthodox top). Likewise, in the 5 waves up from 1932 to 1937. Again the wave from the top in 1930 (297) to the bottom in 1932 (40 DJIA) is 1.618 times the wave from 40 to 195 (1932 to 1937). Also, the decline from 1937 to 1938 was 61.8% of the advance from the 1932-37 (DJIA points). <u>Should the 1949 market to date adhere to this formula, then the advance from 1949 to 1956 (361 points in the DJIA) should be complete when 583 points (161.8% of the 361 points) have been added to the 1957 low of 416, or a total of 999 DJAI</u>. Alternatively 361 points over 416 would call for 777 in the DJIA".*

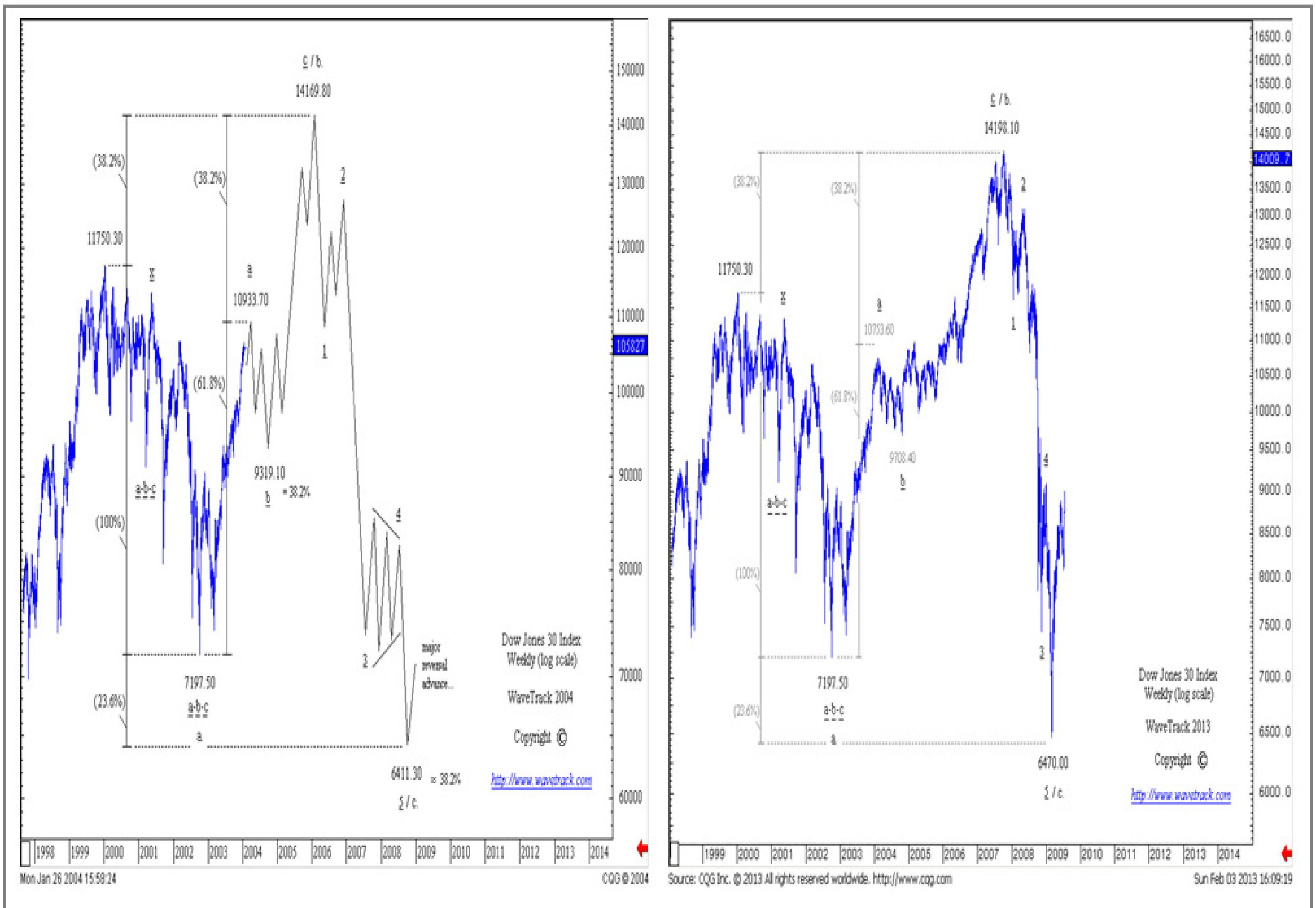
Interestingly enough, this measurement proved incredibly accurate with the DJIA trading six years later to a high in February 1966 at 1001.10!

Pattern and Form takes Precedence

Hamilton Bolton stated that wave form takes precedence over proportionate analysis and this has since been echoed by others since. But how much progress has really been made in the area of Ratio & Proportion during the last forty-odd years? Do they still hold true or could these be just out-dated opinions of the past?

Ratio & Proportion Shaping the Future

The use of computers and modern software applications that can download limitless amounts of historical and intra-day data has enabled us to accelerate our knowledge



Dow Jones 30 index – Forecast – dt. January 26th 2004

Dow Jones 30 index - Result! - completed in March '09

Figure 2

in the area of ratio and proportion. For the last twenty years, this has enabled my own quest to experiment, analyse and test several thousand patterns for ratio and proportion consistency and the results have been truly amazing! I've documented most and more importantly, used them real-time to trade for myself and clients – no better proof than to test it in the field of action. For what it's worth, my assessment is that a concise and methodical approach in applying ratio and proportion analysis to the Elliott Wave Principle is no longer just a figment of our imagination but a pragmatic reality. It's now possible to mould the results of measuring ratio and proportion to a form of tenet that can shape the future in the way we use the EWP.

There are no illusions though – as much as we might search for it, it's not an 'exact' science. I rather think of ratio and proportion and pattern and form as the two sides of the same coin – one cannot exist without the other – neither is dependent, independent but co-exist in interdependency. Together they increase the probability of correct forecasting exponentially. Some do degrade and seemingly run short, but this is by far a minority, something a good strategy can take care of.

Beyond Mathematical Probability

When a predetermined fib-price-ratio measurement of a developing Elliott Wave pattern is tested and it combines with its respective structural composition, then it enhances the probability of completion and of course, directional change. Furthermore, the closer price action reaches to those targets then responds by staging 'price-rejection', the more confidence one has in identifying directional price change. There's no difference in analysing the different time-series of the markets – fib-price-ratio measurements are consistent throughout the myriad of selection available, from quarterly, monthly, to intra-hourly movements. But it's imperative to use log-scale for both the chart data and the Fibonacci measuring tools.

A real-time example in the use of Fib-Price-Ratios (FPR's) can be seen in this forecast published for the Dow Jones Industrial Average (DJIA) dated January 2004 – **see (left-inset) fig #2**. It depicts a counter-trend expanding flat pattern unfolding from the Jan. 2000 high of 11750.30. It moves directionally lower in the opposite direction to the prevailing uptrend and it's composed of three main price-swing, labelled a-b-c, down-up-down, and subdividing 3-3-5 as is necessary for this pattern. In this update, the first sequence as wave 'a' had already completed its decline into the Oct.'02 low at 7197.50 whilst unfolding into a double zig zag pattern. This establishes what I term as the 'initial price-extreme' of the expanding flat.

The second sequence of the expanding flat is wave 'b' and this must ultimately traverse above the extremity high of wave 'a' before completion – ideally, into a zig zag or perhaps another double or triple pattern. But how far above wave 'a'?

When the market began rising from the Oct.'02 low, we could see it recovering about two-thirds of the preceding decline to an interim high in early 2004. When extending this by a fib. 61.8% ratio, it projected the Dow Jones (DJIA) towards 14150.00+/-. This converges with another fib-price-ratio measurement – extending wave 'a' (11750.30-7197.50) by a fib. 38.2% ratio projects towards this high at 14169.80! And so, a convergence of this kind made a strong statement about the ongoing price development – basis the dimensions and probability recurrence of ratios applicable to this specific EW pattern, the 14169.80 level would be the most likely area for wave ‘b’’s completion. As we can see, this proved frighteningly accurate as the Dow Jones (DJIA) formed a peak at 14198.10! – **see (right-inset) fig #2**.

Using the same FPR guidelines for expanding flat patterns, the downside targets for wave ‘c’ are also plotted. Extending wave ‘a’ by a fib. 23.6% ratio projected wave ‘c’ downside targets to 6411.30. Don’t forget, this forecast was drawn in January ’04 – this is not a retrospective analysis. The actual low formed at 6470.00 in March ’09, over 5-years into the future! - **see (right-inset) fig #2**.

To see the Dow Jones (DJIA) adhere to the Fibonacci guidelines of the expanding flat pattern so many years into the future is quite a humbling experience. For steadfast practitioners of the EWP, am hoping this can distil everyone’s interest into the examination of using Fibonacci-Price-Ratio analysis - it should also dispel any doubters that such harmonic frequencies are part of the natural development of financial markets. After all, ask any mathematician to calculate the odds of creating a forecast of this amplitude and time-span and he’ll probably say it’s beyond mathematical probability.

*Peter Goodburn is the senior Elliott Wave analyst at WaveTrack International and is the author of the monthly institutional **Elliott Wave-Navigator** report and the bi-weekly private client **Elliott Wave-Compass** report. Details at* www.wavetrack.com

Traders Dilemma and Resolution

By Stan Ehrlich and Sumonto Ghosh

So you want to be a trader? Congratulations, you made yourself pull the trigger. You're in! Now what?

Hope for the best of course, because "I" wouldn't have made this trade unless "I" was going to be right!
What? It's going the wrong way? Ok, minor price correction. It will turn around soon.

Later... Well, if I'm going to make any money on this trade I could add to the position and "average in" so a small move in my favor would put me in the black. It's done. I Doubled up, or worse.

What is a margin call?

How many times have you heard that story? Unfortunately, too many neophyte traders do exactly that.
The correct way to trade is to *plan out* your trades in advance; there are only two outcomes, a profit or a loss. A "scratch" trade, or break even trade, is a good trade.

First, let's consider loosing trades, failures, bad trades. You will need a "stop loss" order, and I prefer to use the phrase "protective stop" because if filled, that type of order could be a loss or a profit. When it is first placed, which is at the time you put the trade on, it will create a loss if not moved in your favor, given the opportunity. By the way, mental stops do not work! So you have to figure out, at what price, do you place the order? When do you place the order? Exactly what kind of "stop" order (there are a few) do you place? How much risk are you taking? How much money is that? What percent of your capitol are you using? Will I move the stop price under good and/or bad circumstances? And you could come up with other relevant questions. All of which and more, need to be thought out in advance.

Now let's talk about good trades, profitable trades. The successes, the ones that prove you're a financial genius. Again, it is critical that you always think out your strategy in advance. Then get into the trade and immediately placing orders which will protect you, as well as allow for profit taking. Do not procrastinate. Document all of your thoughts, probably in a spreadsheet; reasons, approaches, technical tools that you used, and anything which will help you in the future make fewer mistakes, and therefore more profitable decisions over time. Now, leave your emotions behind. That's the hard part. *Theoretically*, walk away.

When it comes to trading, "**You** are your worst enemy", I've said that many times. It's called *fear* and *greed*. They are normal emotions and they're totally wrong for traders! On top of that, attempting to enter market positions near or **at** market turning points "top and bottom picking" is very *counter intuitive*. It "seems" like the exact wrong thing to do at that moment. I often use the phrase, "bass-ackwards", to describe the thinking process that is needed to pick market turning points with scary "how did you do that?" correct and accurate timing. Usually the trader is not sure of the trade and waits, i.e. procrastinates, too long, and then trades right into a correction which reverses prices, and that takes them by surprise.

So here we go, the trade is on, and our orders are placed. We sit back and wait. There are only three things that can happen. The market goes up, down, or sideways. I think we can rule out sideways because if it happens it doesn't last long and you are not making or losing any money.

Again, let's take the wrong road first. You bought a new long position. So down is bad. You have your "protective stop" (i.e. stop loss), sell stop in place, and under "normal" market conditions it should be filled at or about the price on the order, or a couple of ticks worse. If you get very lucky, maybe you'll get a better fill. Don't count on it. After all it is a "stop market order" right? **Not** a "stop limit" which may not get filled at all! Know your orders and how to combine and place them.

As the price moves the wrong way you start to get stomach problems. You start to think of what can be done to make things better, whatever that means, and it's usually a bad thing. This is the beginning of the "what if" thinking process. NO, don't go there. You made a decision when you put the trade on, what your parameters would be, and what, if anything, you will do under various situations. So, stick with your "game plan" and *do not change things midstream*. Keep your self-control. If you start to "panic" midstream, you did not plan things out well enough and your emotions are starting to take over.

Ok, now prices have moved down to your "stop loss", or "protective stop" and you are stopped out. What went wrong? Suddenly your stomach feels better and you start regrouping for the next trade. After all, you know what you are doing, right? And you should not expect all trades to be profitable, just most of them.

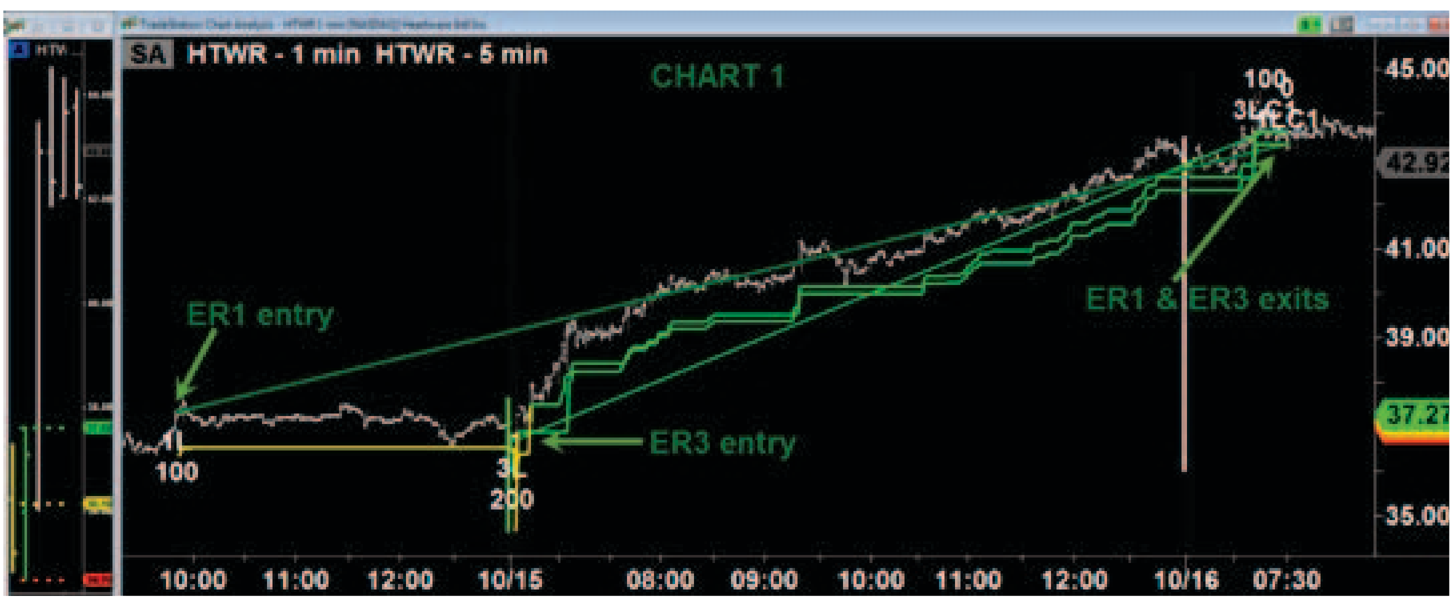
Now: for the good stuff. I think the good trades are actually harder to manage. When you are having success, *greed* sets in. You tend to procrastinate, and pat yourself on the back. Things are great, and you **are** the world's best trader, and ignore the trade because you have to go the bathroom, or get a cold beer. When you come back "What The H... Happened"? That great market swing was a "climatic" price swing. In other words: a "blow off", a very sharp move in your favor which you didn't use to MOVE your protective trailing "stop market" order to lock[1][1] in some profit, which is now a "stop profit" order, not a "stop loss" order. Damn, prices reversed 50% of

1 [1] "lock" implies that under normal market conditions you should be filled at or close to your designated price.

my profits in minutes and I missed the turn, didn't see it coming. OK, it's alright. The trend is in **my** favor which will continue, right? So what if it's coming back to my original entry price. It will be OK! Well, now it's a loss, and you gave away a very profitable trade at this point. Well corrections do happen, and the trend, "as I perceive it", is still in my favor. Where is my stop loss order? Oh, I forgot to enter it, because things were going so well, I didn't need it. Now, at want price, do I put my order? I think you know the end of the story. I hate letting profitable trades turn into losers.

The "Ehrlich Reversal" (ER) trading strategies provide "trading signals" which are structured for stocks, Futures, FX, and international markets. They have default inputs, but we allow adjustments to "inputs", to conform to short term trader style, or longer term investing style. Because these signals are designed to trade market turning points they are ideal for option trading. Our "Smart Trailing Stop" (STS), is adjustable to accommodate both, short or long term traders. Larger inputs, will create fewer signals, but frequently reveal longer term market turning points for investors. While smaller inputs will provide the active trader with more trading signals and shorter term trades with less overnight exposure. The "ER" signals themselves have been developed to catch significant, market tops and bottoms the day they happen.

Chart #1 shows an ER1 entry the day of the signal. The ER3 entry happened the following day. Both trades were offset at about the same time and price because "inputs" were similar but not exactly the same. Chart #1



If there is a position on and a reversal signal occurs in the opposite direction, we reverse positions. We even make adjustments for favorable and unfavorable opening gaps. Traders and investors don't realize as a reversal is happening, that a profound market turn has just happened until a lot of price movement and or time has passes. I hear, "OMG I saw it, and wondered if it was significant, but didn't do anything about it!" all the time. Does that sound like, "Gee I missed the trade?"

There are only three things that will happen after a trade is entered.

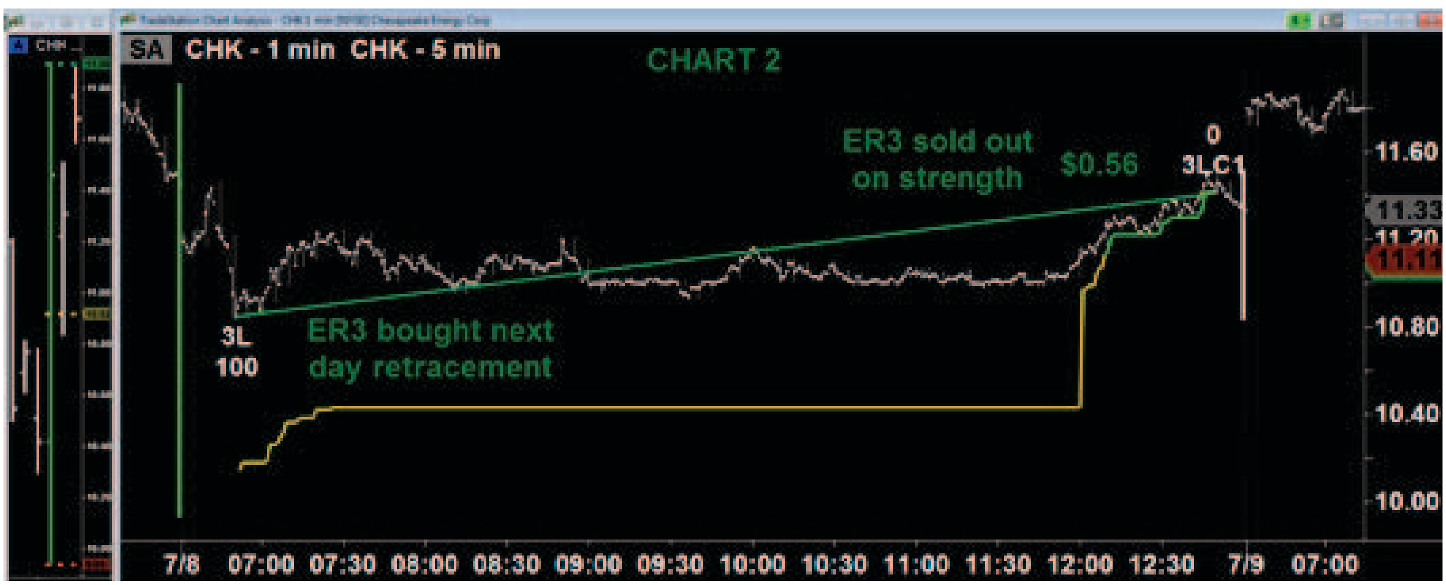
1. A move in the wrong direction will cause our STS to take you out at a predefined, but adjustable loss, which is part of the risk management process. We normally use a fraction of 1% to maybe as much as 2% risk by default, depending on technical factors.

2. Prices may go sideways, which leads to no movement of our STS. So we wait.

3. Or, prices may move in your favor which provides a couple of possibilities.

a. Slow price moves in your favor could provide endless trending and our STS will simply keep protecting more and more profit until the inevitable price correction occurs, and the "protective stop" is filled with a nice profit. This slow trending is rare, but it happens. Our strategy has patients, and most traders don't.

b. Or, prices may swing sharply in your favor at any time, which is typically indicative of a market knee jerk reaction to something like unexpected news or large orders being filled. As a result, a "blow off", or exhaustion market swing often develops. In which case, the ER automatically tightens your STS faster and faster to protect more profit. As a result, the STS gets closer to the actual market turning point (which you will only realize after the fact) there by locking[2][2] in more profit very quickly. Chart #2 shows a trade which did not do much at first. Then in a short period of time the money was made. Chart #2



This exit often happens in minutes. These sharp market swings often take traders and investors by surprise, and the usual human reaction is to "freeze up" partially because you are making a lot of money very fast. You get the feeling that the longer you wait, the more money you will make. Wrong. Immediate and preplanned actions need to take place. Partially to keep the your "greed" from taking over. And partially to "objectively" capture the market swing. Do you really think, with several or more positions being effected in different ways, <u>all at once</u>, that you can do that? Our software can, and does! Trust me after 44+ years in this industry, I have seen a lot! It's the reason I developed the ER. Been there, done it.

2 [2] "locking" implies that under normal market conditions you should be filled at or close to your designated price.

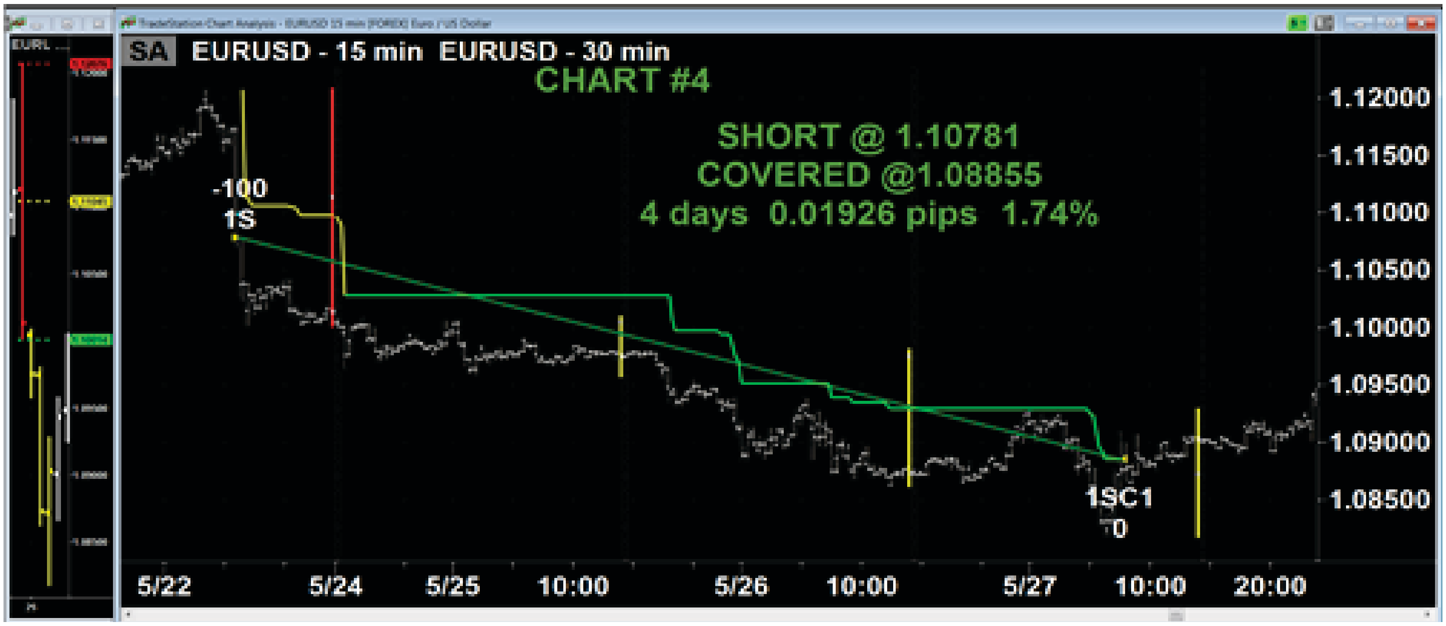
Here is the sequence of events which the Ehrlich Reversal™ accomplishes:

1. We scan the universe of symbols (many thousands) using filters to find those symbols which are about to provide our needed trading trigger. That's right, before it happens. You are provided the scanner. Those symbols are placed into individual chart analysis windows. And the automated trading settings are turned on using preferably a "Pattern Day Trader" designated trading account. Then we wait.
2. If the expected signal does not develop before the close, nothing happens.
3. If the signal does develop, which it usually does, we enter the trade automatically or you can select a manual entry. Then our "Protective Stop" (STS - Smart Trailing Stop) is placed using our default inputs, or using your personal input preferences. Your personal input preferences would modestly change a couple factors, but not how the STS generally moves.

A. Some of our trades fail right away and our "Protective Stop" takes you out with the default risk which is usually less than 1%, or using your personal risk preferences after you change an input.

B. Other trades will start to move in your favor and the STS starts to take action moving with favorable price action immediately beginning to reduce your risk. If our default profit amount called, "Protect Amount", has been reached, our STS immediately "locks" in your amount. Or, once our default selected "Protect Amount" is reached, we "lock" in that amount. If prices continue to move favorably, we begin to "lock" in more profit depending on price movement. Chart #3 shows an ER3 trade in the Crude Oil futures. chart #3

Since a high percentage of signals provide some initial movement in your favor allowing your initial "Protect Amount" to be reached, those trades provide a profit which covers costs, or better. The idea is "don't let a profitable trade turn into a loss". Other trades do better or much better and eventually hit the STS. Chart #4 shows a short trade in the Forex EURUSD. Chart #4



The ER Group, Stan Ehrlich and Sumonto Ghosh, provide TradeStation® "WorkSpace" templates to make using the Ehrlich Reversal suite of indicators and strategies easy. We provide instructions at www.EhrlichReversal.com.

Because everybody's portfolio size is different as well as you're trading style, you may pick and choose from those symbols on your Bull or Bear ER Signal Scanner lists. Each day, there should be several, or many more symbols qualifying. On a very active day there may be many dozen, we never know.

We wish you disciplined, profitable trading.

Easy Rythm

By Stan Moore

A special note of introduction from the Editor Larry Jacobs: For the past 18 months I have read Stan's Daily intra day trading Alerts, seen his notations on the intra day charts that come out with additional comments discussed in his chat room multiple times a day. I've read his weekly Blogs, studied his trading videos and spent time in his Chat Room. I have his 3 books. He is a trading insider from Wall Street like only a special few I have seen before. He is unique. He has over 50 years of trading experience. There is very little he has not seen.He is a true student of the game. I believe he is well worth the read below.

My Name is Stan "Ed" Moore & here's why I believe I can help your trading. I have spent over 25 of those years on Wall Street mostly managing a number of trading desks like Gabelli and I even started my own Brokerage & Money Management firm later, Moore, Grossman & DeRose. I have handled Billions of $'s over my career Trading & Managing $'s for Institutions & Wealthy Individuals. I was the inside Partner.

I have spent substantial hard $'s learning & I also directed over $9 Mil in Commissions over my career to learn from the best of the best on the Street. Cramer came 10 years after me & bragged he gave away $20 Mil to learn the street's secrets. Very few of you will even begin to approach that level of knowledge or intelligence I learned & probably Cramer too.We knew all markets. We were true insiders back then.

I further doubt any of today's mentors served on the Boards of Public Companies like I have. I doubt any of them ever put up a bid for a NYSE company like I did with Holly Sugar in 1986, won seats on the Board & sold Holly to a Competitor and that move made $10's of Millions for our clients. I was truly one of the earliest "Active Investors". I could have continued along those lines but trading was my passion...and still is.

I wrote the first of my three trading books,"Rhythm Of The Markets", while I was Director of Technical Research of a NYSE brokerage firm. It was endorsed by some of the biggest names out there at the time.My second book, "Option Magic," is still a "Big Time" winning option trading strategy,especially with every week being option expiration. The third "The Definitive Trading Bible" contains everything you ever wanted to know about trading, but you did not know where to find the answers.It holds the secrets to untold wealth for those traders wanting to learn most of the insider secrets still not really known,let alone taught, by anyone else out there.

Lastly, only a true handful of mentors have done great things for traders like you. I have done it all... I use Fibonacci to read price like I had a GPS on my desk every day. I wrote about this over 25 years ago,and I still think only a handful of traders know anything about it, even mentors teaching Fibs for more than 40 years. There's a lot more. Please read on.

I also have developed a "Magic Oscillator" (MO). I believe this really impressed your editor,Larry Jacobs and I thought he wanted me to do an article on it awhile back. However,one article is not enough. I now have many training videos that do a great job.

The MO Nails Tops & Bottoms of Trading ranges.It's "Magic." Did you not know all this time you REALLY could predict tops & bottoms with uncanny accuracy? You know this greatly reduces risk, I'm sure. Well welcome to my New Era world of trading.

Please don't get me started on what "Magic" it holds for trends as well. It can also become a "Leading indicator". It has 5 different divergences. At worst, it's merely coincident. Yes you can buy higher lows & sell higher highs all the way up & Vice Versa for declines.So it can let you know when you start or end a trend as well as keep you in there to the very turn when that trend ends. See Weekly chat below.

Or call & talk to me and I'll send you free the 40 pages on trend trading from my 3rd book. No one else ever cracked this trading code so mechanically like I have. It's even better since I added an indicator to pickup when the Algos are in there too.

Prior to 01/02/2015 we were in a multi year trend up trade on the weekly chart. Later on you can see it work on different time frames equally well.

Starting in January on the Weekly S&P cash Index Chart below the MO showed and said top of a Trading Range at every rally high. We had a 7-8 month huge trading range. The Daily chart confirmed the Actual top July 20th with an overbought reading, not Jammed.(You can get the definitions of both jammed, overbought or oversold).
There was an early warning on June 26th (See Daily chart below) with Oscillator signaling "Leading Divergence". (This indication works over 80% of the Time alone on the Larger time frames).See the Charts for even more tops & bottoms of recent ranges it nailed too.

Lastly it might surprise you that I do not use stops as you know it. I use time stops. I also average into losing option trades to earn even larger profits than you can ever imagine. However,these setups are a whole different subject, for another time.

Weekly Chart

Just what more can I tell how I do what I do. Just below is who I was nearly 10 years ago,as told by a new student after seeing me in live action.
See a his comments. I hope I am at least 10 X's better today. Wait until you see all my recent training videos.

I still find this hard to believe even today,just how hard It is to succeed in this game, especially when most traders have no idea what they don't know about their game.
My problem was, I did not know how much I really knew. Once I started writing my third book(which took over 2 years to write) I started to really understand what is was I knew and could finally explain it to you. I heard many times in my career you only become good at something when you write and/or teach the subject. Teaching you these last 25 years has made me the trader and mentor I am today.

From Charlie C:

"I first met "Ed" at a "technicians conference" in Florida on January 20, 2006. I give you the date because it was an incredible day in the markets. It's also how Ed made his first impression on me, and many others as well.

The "trader" hosting the conference had billed this day as one during which he and Ed would trade live expiration week OEX options. He calls these options "White Lightning." There were almost 200 of us waiting for this to happen. I don't think anyone ever attempted to trade options, live, the last day of the expiration month.

There were endless data and computer glitches. Then suddenly everything was working, and the S&P's had gapped 5 points higher. Ed explained it was expiration related only. But sadly, our bullish host decided there would be no trading. He said it was no big deal anyway because it would likely be a flat market from here. I was crushed. There was a groan in the crowd. Indeed, it felt like most of us came to see Ed trade options real-time.

That morning there was also news about Iran, and it didn't sound good. The host explained we don't trade news, that it didn't matter. Audience agreed. He then explained his method for a few minutes . . .

Then he let Ed speak.

Ed stood up, and everything changed. In no uncertain terms, he reeled off the news about Iran, why it was bad, what it meant for the markets, why it wasn't priced in to the markets, and what would probably happen. This too he explained in no uncertain terms: the markets were priced for perfection. Since it was options expiration, if the S&P were to break down from current levels, it would break hard because the professionals would sell it to make sure all the in the money (ITM)outstanding calls go out worthless. He gave a specific level, that if violated, would send the market that day into a free-fall.

In front of 200 people that had just heard this would likely be a flat day, this was a lot of interesting information.

I don't think he wanted to embarrass his host. He said if you put a gun to his head he would buy puts. Then he outlined the "best" Risk/Reward trade for us to consider doing. Again, no uncertainty. Sell 75 E-minis, go long 100 OEX at the money(ATM) calls. They were trading at $1.50. If the market broke down, he'd likely earn $40-$50,000. If the market bounced, he could make $5-$10,000. And if it stayed where it was for next 2 hours, he'd lose $5000. Given the news, the latter wasn't even remotely possible.

Notice what's going on here: fundamentals, news, tactics, technicals, money management, risk control, expectations. All in about 30 seconds. I now know, that's exactly how fast his mind works.

There was a shift in the room. Everyone was stunned. Who is this guy? It was incredible. Hands went up. Everyone wanted to know more. I wanted to know more! But our host only wanted to talk more about his own methods.

The market started to break down.

The host took another look at his charts and in a goofy way asked Ed if he wanted to buy calls. You could tell he was half-serious. Ed took one look at his own charts and said: "No way. We're going much lower."

January 20, 2006 -- the day the S&P closed down over 24 points from the opening high, in what was "supposed" to be a flat market. The day you would have made almost $50,000 if you put on the trade Ed suggested and held it into the close, over $80,000 if you did it at the opening. If you bought $.40 out of the money(OTM) puts he recommended much earlier, they closed over $9.00 or 20 X's your money. I thought "Wow, at the very least I could've made 10 X's my total risk! I wanna start right now!" That was the day I became determined to earn my PhD. in trading with Ed.

So . . . have I graduated yet? No. Not even close. Has it met my expectations? Ha -- it's exceeded them by multiples. To trade any other way at this point would seem sophomoric.

Whether you want to be a swing trader, a day trader, or just a better trader, Ed's instruction will help you succeed. Just one page out of his manual, a single page that took over 2 years to write, is worth his fee alone. His custom oscillator, a mathematical blend of over 10 different analysis techniques, is worth his fee alone. His daily instructional alerts and coaching (where else can you tap 40+ years of experience)? Priceless.

More importantly, he sets up trades well ahead of time to help you earn money while you're learning. "You can earn while you learn" is the way he puts it.

I've seen his methods ride trends, pocket seemingly endless points from boring range bound days as well as wild, choppy volatility, all with equal aplomb. He tells when to go for the jugular and when to stand aside. He doesn't try to impose his will upon the market. He lets the market tell him what to do. Best of all, he teaches you how to do it too. It doesn't happen overnight. But when it does amazing!!"
From Charlie C NH (Charlie C's Email address is available upon request.)

Now I spend a considerable amount of time taking as much of the risk out of trades so you can learn to trade real size for the first time. Imagine what trading 50/100 E's would be worth to you financially when you are now a 3-5 player.It doesn't happen overnight.

Above Charlie noted a hedged trade long Index calls & Short E's. If this trade was attempted earlier you could have earned over $80,000. I'm trying to give you all the potential Profit of the trade setup "with only a fraction of the risk if you are wrong". I am not wrong often.

Flash Forward: Recent comment about Aug 26 2015 wipe out day The man who made a billion dollars on Black Monday sums up his strategy perfectly in this excellent FOX Business clip with the money-honey, "I'm a hedge fund manager that actually hedges for his clients. This is something of an old fashioned idea in this day of just gambling on the next Fed bailout." Spitznagel, who is wholly unapologetic in his criticism of The Fed (and any central planner), unleashes eight minutes of awful truthfulness on what is going on under the surface of the so-called 'market', concluding ominously, "if August was scary for people, they ain't seen nothin' yet."

What a great comment on NET Trading to lead in with.
We do not gamble on anything either.
We all should want to learn how to hedge & parlay to take almost all risk out of a trade at these important news releases & maximize our potential profits too. Once setup we just need the markets to move, the bigger the better. Again more information is available See charts down below.

Then and only then do we attempt to take $'s out of both sides of the trade here. We have been winners on both sides over 60% of the time. Furthermore, NET trading has not experienced any losing trade setups in the Chat Room doing 13-15 of these news release trades a year since I started teaching this methodology over 7 years ago. This is still only a fraction of what I teach but by far the biggest profit generator of NET trading. Now below we have a perfect example.of what I am talking about.

The recent week ending 10/02/15 we setup a trade long calls and short E's,going into the Friday Jobs Number. We were long by the Thursday close multiples of 10 slightly ITM calls for $1.30 & Short 2.5 E's for every 10 calls. Now See the 10/02/15 5 minute chart. Overnight the E's rally even higher. Now see below my first Email alert Friday before Job numbers come out at 8:30 AM EDT. My Copy's below

From: EASYRYHTHM@aol.com
To: easyryhthm@aol.com
Sent: 10/2/2015 8:16:21 A.M. Eastern Daylight Time
Subj: Alert Notes Take your Chances read below.Stan M

Fellow Friends,

Goldman forecasts non farm payroll growth of 215 k in September, above consensus expectations of 200 k by about 0.3 standard deviations of a typical surprise. Noting that August payrolls were likely distorted downward by seasonal bias last month and may be revised up, Goldman expects the unemployment rate to remain flat at 5.1% (and earnings growth to slow). However, judging by the collapse in September's regional Fed surveys I have read, today's "most important" payrolls data ever could be a massive miss.

Going in for every 10 long Calls and because we are higher overnight I'm now short 4 E's(

trading @ 1926). Normally I would be short only 2.5 E's Should be fun this morning.

Be alert a negative reaction to the employment data would still be expected to garner interest from buyers toward 1903 and 1894. In fact, I'd be careful turning too bearish until price begins to drop and hold below 1894 and Thursday's 1890 intra day low. I'm a buyer of calls or E's starting at the 1903 area and scaling in.
From: EASYRYHTHM@aol.com   Alert #2
To: easyryhthm@aol.com, alertemailstorage@neweratrader.com
Sent: 10/2/2015 8:59:40 A.M. Eastern Daylight Time
Subj: Alert Note Thank You GS. Stan M

At least we know why the E's rallied so much. Thanks GS. We went up against the Big Boys & won again.

If you only owned 300 calls($40,000)after selling half late Thursday, You could have made nearly $240,000 on the 120 E's you were short. Our OTM Calls now should open around $.50 Looking to buy more under there.(They hit $.40 after the opening)

I couldn't have tipped you any better than in the first alert when I went to 10-4 after I saw the new rally highs & thought possible soft number too.

Good Trading,
Stan

Well the E's Dropped over 40 points in the next 90 minutes. That's $2.000 profit per short E. The Calls traded as low as $.40 If you added more calls as suggested under $.50 near the lower lows, these closed at $5.00 by days end. Our $1.35 calls plus our new purchases under $.50 gave us a nearly 8+ times return!!!

If you added 1,000 more calls to your existing long position, you would be only risking 20% of what you made on the short E's or you could have even used the profits from the sale of half your calls on Thursday. See Chart 4 below. Either source of funds could have made over $500.000. This is "parlaying" at a NET best.

Again, NET Trading Scores a huge hit with the short E's & comes back with an even bigger long call win. NET scores on both sides again. Just think, over 90% of those trading "haven't a clue as to how to trade news & constantly get beat up".So far we have won big every time. Not many do this and if they do, they do not teach it.

See Friday's 5 minute Chart. We spent 90 minutes going down over 40 points & 6.5 hours going up over 60 points.This is a NET Dream Trading Day. Just look at the Oscillator. It got Oversold near opening and not Jammed. Then it spent most of the Day Jammed/44 telling us to just buy the E dips and/or add and hold all calls.

Chart 1 -> Daily (Below)

Chart 2 -> Friday 30 minutes (Below)

Chart 3 -> 5 Minute Friday (Below)

Chart 4 -> 5 Minute's Thursday

If you would like to see a training video explanation of Thursday and Friday trading. Click below:
https://vimeo.com/141278601

Looking back,I have tried to retire from mentoring a few times over the last 15 years, but they keep sucking me back with new and better profit making opportunities than before. I will now die trading in front of my screen. Once the Indexes went to trading weekly expirations 10 years ago, we NET Traders died and went to trading heaven.
This is what NET really lives for every Friday..On some Fridays there are times when you can control an E contract worth over $100.000 for as little as $10-$20. Think about this now.

Imagine long 1000 calls for $20,000 you are controlling $100,000,000 of equity that moves today over 1%,or $1,000.000. You are short 300 E's that then decline 20 points and you are $800,000 to $900,000 richer or vice versa long. So putting up only $35,000 lets you have your cake & eat it too. 90% of the trades are legged to too mitigate any early losses.This trade serves to reduce the option risk and maximize profits

In addition,there's a whole lot more in New Era that we do on a daily basis. To learn this go to HTTP://neweratrader,com and sign in for free information and just maybe I will give you a free 30 days of alerts, blogs, or everything I write and chat about. Talk to me.Take your current trading skills to levels you could only dream about. Make more money in a news trade during one week than most traders can make in a couple of years See Thoughts above. You can do this starting with less than $25,000 in capital.

In summary, How would you like to learn how to read the message of the market nearly every day and be able to earn in only a week,a middle 6 figures with a minimum of risk and with a modest amount of money,18 times a year just trading prior to key news announcements? Realistically, early on expect to earn much less. However,just think more about the 2 years down the road of what you could be earning then.

How's about playing in the world's biggest Casino & every time you sit down at the table the odds are in your favor up to 90%? Try this in Vegas Baby and you will lose your "ASSets."That's what NET is all about. We do not ever gamble anymore

If for any reason you feel this has been a waste of your time.... Pick up your phone and tell me. I will send a $25 check to your favorite Charity. However, just on the chance you might like what I have to say, call me too and let's see if and how I can help you make the money you deserve. You will be amazed at how inexpensive my mentoring is & how much it can make for you.!! Call Today!!

Thank you for your interest.
Good Trading
Stan "Ed"Moore

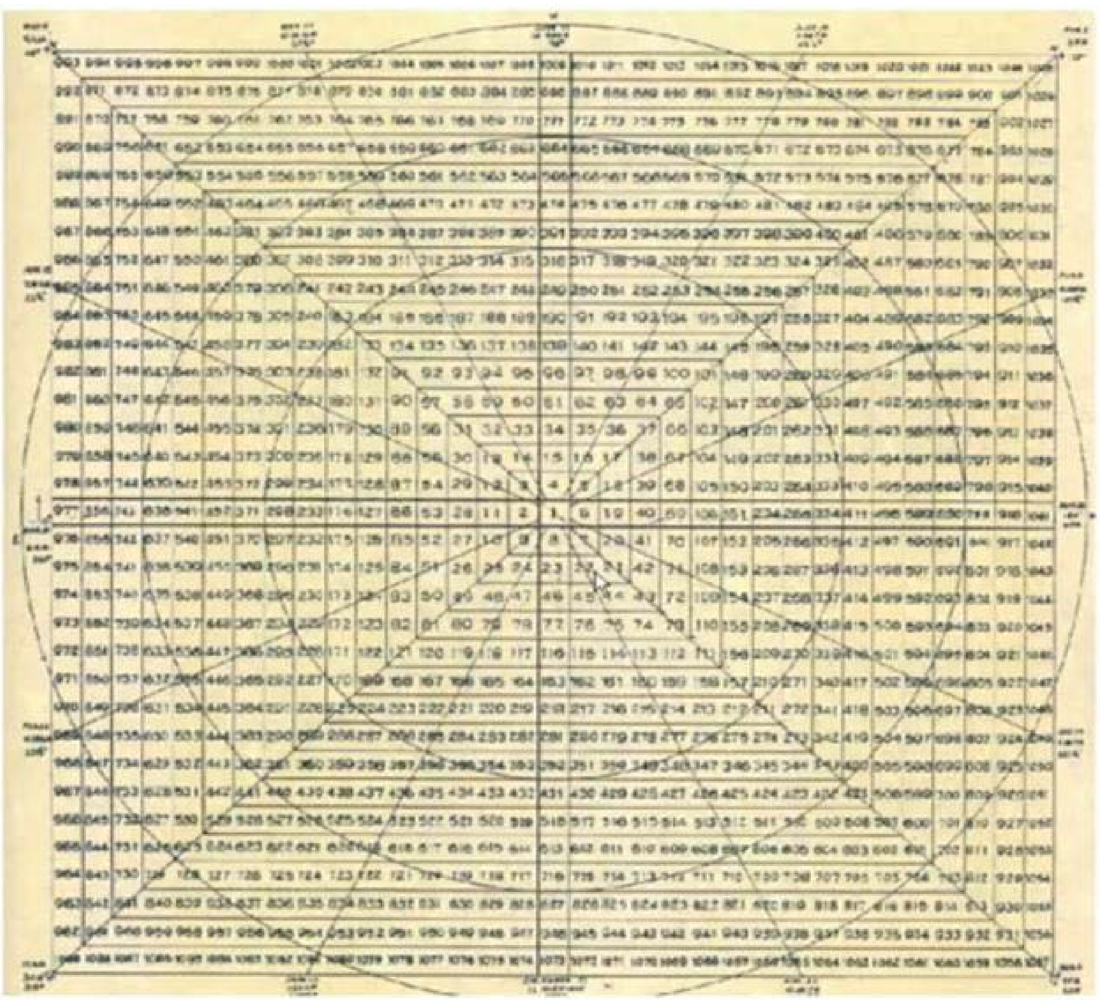
HINDU TEA MERCHANTS CALCULATOR Or W.D.Gann's Square of Nine

By D.K.Burton

As I have previously mentioned, Sepharial and Gann travelled to India in the late 1800s and early 1900s. Sepharial's teacher was Helena Petrovna Blavatsky (http://en.wikipedia.org/wiki/Helena_Blavatsky). Blavatsky was responsible for bringing the spiritual concepts of Hinduism to the west. She died on 8th May 1891 - just as the astrologer Sepharial predicted,

Gann's TTTTA (The Tunnel Through The Air) was written exactly 36 years and 1 day (9th May 1927) after her death (36 x 4 = 144). There are 36 decants to a circle.

A lot of the authors on Gann's reading list were members of Blavatsky's "Theosophy Society" founded in New York in November 1875. Blavatsky moved to India in 1880, it is likely that she suggested Sepharial also travel to India.



Sepharial wrote a book and many articles on Hindu Astrology. To understand Gann, you must study Hindu Astrology. When I was in India about 10 years ago I took the square of nine calculators with me. Hindo astrologers confirmed that it was an old astrology 'tea calculator'. Hence - you must have knowledge of Hindu astrology to use this calculator correctly.

The square of nine calculator most are familiar with, has March 21st (or East) on the left, with the number"1" in the middle and the number "2" to the left of "1".

Another chart - the square of four - has "1" in the middle and "2" to the right - so going in the opposite direction. This is Gann's "Master Price and Time Chart." Gann has each box going up in 12 points. For example, box 30 has 360 in it (30 x 12 = 360). This is the chart Gann used for Cotton, Coffee, Cocoa, Wool and Grains.

Hindu astrology ingress charts start at April 14th each year due to the precession of the Equinoxes. If you start at March 21st, 24 degrees must be deducted off each planet to equal the Hindu system. Most people make the error of counting from this date as a seasonal pattern,

See the square of nine chart

The square of nine is broken into 16 parts of 22.5 degrees each, (16 x 22.5 = 360). Starting at April 14th, the correct dates are May 7th, May 30th, June 23rd, July 16th, August 9th, September 1st, September 24th, October 17th, November 9th, December 1st, December23rd January 14th, February 5th, February 26th and March 21st. These dates are fixed each year. They are close to the dates pictured on the chart above because 22.5 degrees is close to 24 degrees. However, over time the dates will digress further and further apart (1 degree ever 71 years). The western and eastern Zodiacs have not been the same since around 297AD

The number of each of the 22.5 degrees also adds up to nine. For example, 22.5 is 2+2+5 = 9, 45 is 4+5 =9 (1+2+3+4 ......+9 = 45 = 9), 67.5 is 6+7+5 = 18 which equals 9, and so forth - get the picture?

I have printed out 16 Mundane Astrology charts showing the dates when the Sun ingresses into these 22.5-degree points throughout the year.

I did a chart for Chicago. However, a separate chart would need to be done for each trading centre. Using the square of nine chart for Wheat, it's necessary to look first at Mercury as that is a significator for grains, as well Virgo, which is ruled by Mercury.
This year Mercury is at 4 degrees Aries, therefore a change in trend would be on April 18th, 4 days or 4 degrees past April 14th.

For a change in trend you can use the fixed days above by adding 4 days to each of them. This gives the square of nine change of trend for Mercury when the Sun aspects the 22.5 degree points.

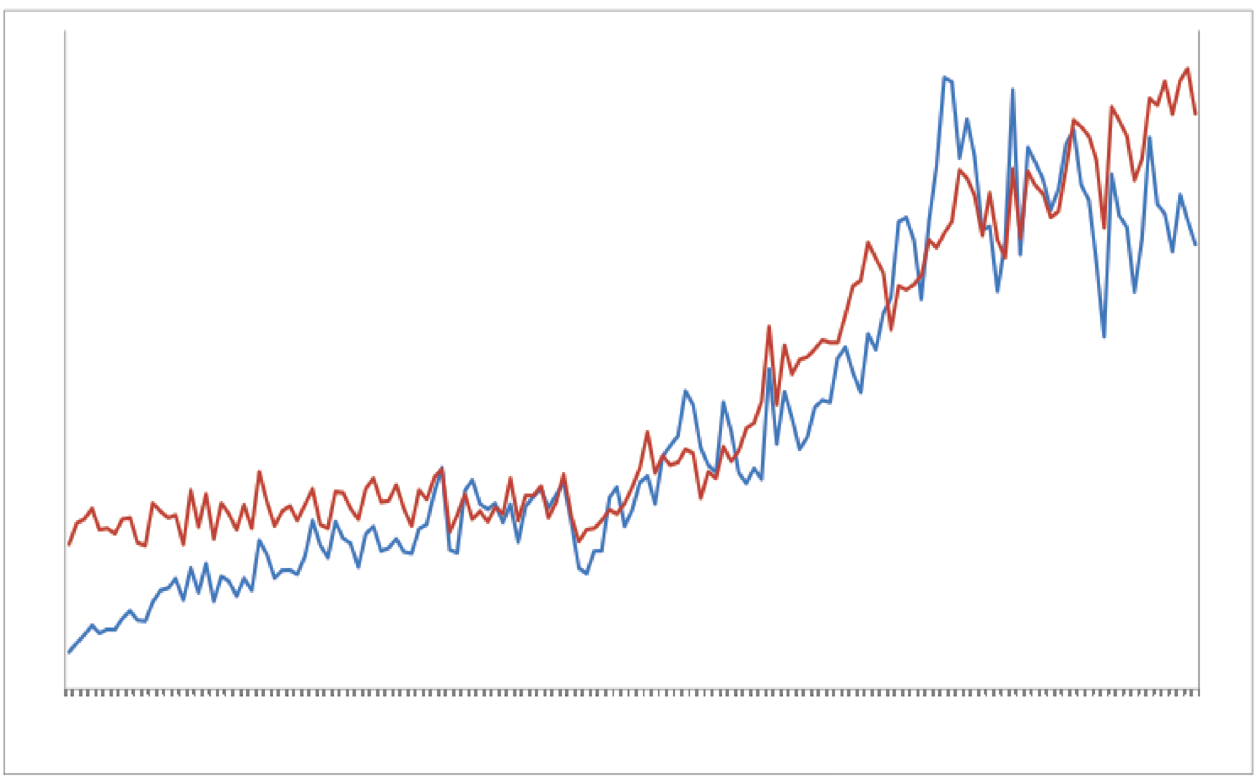
If you have read TTTTA you would notice that Robert Gordon was born under the Astrological bible sign of Issachar. Issachar is represented by Gemini and its governing planet Mercury. It means price - and Robert would have to pay the price.

If you look at price, you would take 4 cents a bushel and keep adding 22.5 to give you the price resistance and support levels. For example, 4 plus 22.5 = 26.5 etc.

Because the wheat price is above $3.60 and below $7.20 we start at 360 degrees. This gives 364, 386.5, 409, 431.5, 454, 476.5, 499, 521.5, 544, 566.5, 589, 611.5, 634, 656. 5,679 and 701.5 degrees However, these levels are only good for one year as Mercury will be in a different place on April 14th 2016.

(I also discovered that planetary hours have lot to do with the planetary movments into their own Naksahtras. Naksahtra being the term for lunar mansion in Hindu astrology For example, Mercury moving into 106:40 degress, 226:40 degrees and 346:40 degrees and it happens to be a Wednesday.. however, explanation of this must wait for another article.)

Before we go any further it is necessary to outine some history in regard to Wheat prices and



also provide some information on the sort of charts Gann kept. Gann had wheat prices going back to 1259 A.D, On his charts Gann marked all the Jupiter/Saturn conjunction and opposition cycles (These are ten and twenty year cycles). His Great Mundane Chart contained all the Jupiter out cycles from 1492 to years in advance – way past his death in 1955.

His also kept charts on the production of commodities (bushels produced) with cycles marked on them. This why he called himself an Economic Forecaster rather than a Financial Astrologer. He knew how bad most Astrologers are.

March 13th 1848 and February 18th 1859 are two charts I know Gann had for the C.B.O.T. However, he may also have used April 3rd 1848, which was when the forward cash contract began trading.

Wheat futures did not start trading until 1877. Cash wheat first traded in 1841 This is the date Gann started his Permanent Wheat chart table. Starting at 1842 the chart goes up in columns of 12. For example, the top of column one is the year 1853. 1986 was 144 years (12 x 12) from 1842. This marked a big crash in commodities and wheat. Also 1842 was the year of the Great Mutation Chart of the Jupiter/Saturn cycle. If we add 24 to 1986 we get to the low in 2010, the next 12 years is 2022. Half of 12 is 6 years, which gives a low in 2016. A low in prices results in farmers walking off the land as banks do a big land grab. The table enclosed is from 1842 to 2129 or 288 years, this should see you out.

Planet	Constellation	Year
Sun	Krittika, U. phalguni, Uttarashada	6
Moon	Rohini, Hasta, Shravana	10
Mars	Mrigshira, Chitra, Dhanistha	7
Rahu	rdra, Swati, Satbhisha	18
Jupiter	Punarvasu, Vishakha, P. bhadrapada	16
Saturn	Pushya, Anuradha, U. bhadrapada	19
Mercury	Ashlesha, jyestha, Revati	17
Ketu	Magha, Mool, Ashwin	7
Venus	P. phalugni, Purva Ashada, Bharani	20

Below is a Wheat Production and Yield Chart from 1866 to present. This is like the chart Gann would have drawn by hand.

Back to Financial Astrology and most are familiar with the twelve signs of the zodiac. As I said above zero degrees starts on April 14th each year - so you have to know the bullish/bearish planets and bullish/bearish signs as an over view. Break this down into Naksahtras (Lunar Mansions) or 13 degrees 20 minutes and then into smaller Hindu degrees for short-term trading which are called Dasas of 3 degrees 20 minutes. These also have Teji and Mandi readings as well.

Bullish in Hindu is Teji and Bearish is Mandi.

Aries: - Teji
Taurus: - Teji
Gemini: - Mandi
Cancer: - Mandi
Leo: - Teji
Virgo: -Mandi
Libra: - Mandi
Scorpio: - Teji
Sagittarius: -Teji
Capricorn: -Teji
Aquarius: -Mandi
Pisces: -Mandi

Bullish and Bearish Planets: -

Sun: - Teji
Moon: - Mandi
Mars: -Teji
Mercury: -Mandi
Jupiter: -Mandi
Venus: - Teji
Saturn: -Teji
Rahu: -Teji
Uranus: -Teji
Neptune: -Mandi
Pluto: -Teji

Evidently, if you have the all the Mandi Planets in Mandi signs, the markets will fall. Visa versa, if you have all the Teji Planets in Teji signs the markets will rise.

So what do we have for April 14th 2015? We have the Sun in Aries (Teji planet in Teji sign), Moon in Capricorn (Mandi planet in Teji sign), Mars in Aries (Teji planet in Teji sign), Jupiter in Cancer (Mandi planet in Mandi sign), Venus in Taurus (Teji planet in Teji sign), Saturn in Scorpio (Teji planet in Teji sign), Rahu in Virgo (Teji planet in Mandi sign), Uranus in Pisces (Teji planet in Mandi sign), Neptune in Aquarius (Mandi planet in Mandi sign), Pluto in Sagittarius (Teji planet in Teji sign).

When the Sun goes into Aries, Mars becomes the Significatior; Mars is at 15 degrees Aries in its own sign. When the Sun goes into Taurus, Venus becomes the Significatior etc.

If we transit the 16th Harmonic chart (16 is number of planes on cover of TTTTA), which is also the Square of Nine chart (16 x 22.5 degrees = 360) of Mars to Mercury, we get changes in trend on April 30th, June 1st, August 7th, October 17th and January 1st 2016.

Remember this is based on the first chart of the year out of 16 charts. These charts are in parts of three weeks. This is why Gann taught to use just the three-week swing chart. If you do not have the same understanding of this as I do, the square of nine charts will make your head spin. You need to study this over time (i.e. a life time).

Sepharial in his book suggested that you track all Mars out to Pluto conjunctions and oppositions. These were important cycles. Gann had these cycles marked in his Ephemeris.

The fourth house in this chart has Venus opposite Saturn, which means farmers, will suffer with lower prices and bad crops in the USA. Gann said when the price is in Scorpio it is bearish. This is 240 to 210 plus the multiplies of 360 added to it - so below 600 it is bearish, Saturn is at 10 degrees Scorpio or 220 degrees - so being below 580 it is weak as well.

On the Square of Nine chart Mercury is at 4 degrees - the number 4 is on the Cardinal cross, so the numbers above 4 are,15, 34, 61,96,139,190, 249 and 316. These give the degrees of 15 Aries, 4 Taurus, 1 Gemini, 6 Cancer, 19 Leo, 10 Libra, 9 Sagittarius and 16 Aquarius.

These dates are April 19th, April 30th, July 6th, July 23rd, August 16th, November 5th, December 12th, and March 21st 2016.

The other first Chart of the year is the Hindu Lunar year. This starts with the New Moon on March 20 2015. It also happens to be a Total Solar Eclipse and the Eclipse is in the second house of money at 5 degrees

Pisces rules national revenue, taxation, banks, exchanges and trade. The eclipse is in a water sign and will therefore bring excess rain, damage from floods, a high death rate with the labour class likely to suffer. Eclipses like this do not give a good start to the year. The eclipse at 5 degrees Pisces is 335 degrees. This is square the ingress chart at 4 degrees Aries where Mercury is located, and gives the date of October 17th which at 335 degrees, is opposite the zero degrees ingress chart of April 14th 2015.

When you place the circular overlay at the 335 point it squares the price of 1280 - the all time high of December wheat futures. The high date of March 13th in 2008 plus 2626 days (which is the number of days square the high price and opposite the eclipse number of 335 on the square of nine chart) is October 22nd 2015. Uranus was at 5 degrees Pisces on the 13th March 2008 and the eclipse falls on this point at the high.

On the 17th October we happen to have Mars conjunct Jupiter at 19/20 Leo, which is 139 degrees. This number squares 335 and lines up with 1280 on the square of nine chart. On this ingress chart of the Sun on this date, the Mars/Jupiter conjunction is in the eighth house and also opposite the second house of the eclipse, which controls death, death duties waste products, fuel and chemicals.

Scorpio is the natural ruler of the eighth house and Saturn is there all year, Mars rules the eight house. This indicated extreme bearishness in this period. 335 lines up with the price numbers of 412, 497, 590 etc. The lowest level December wheat has been since 2008 is 439. This is likely to be broken and then head back to the 1999 lows of 230. The market is making lower tops and lower bottoms; this is bearish also, (a basic Gann rule, which some people don't even get.)

On the day count the numbers are at: 7, 20, 41, 70, 107,152, 205, 266 and then 335. These dates from the solar eclipse on March 20th 2015 are 107 days July 5th, 152 days August 19th, 205 days October 11th, 266 days December 11th and 335 days February 18th 2016.

The main ingress chart needed is the four at the cardinal cross, then the four at the fixed cross. These are 90 degrees apart and 45 degrees apart. It is necessary to look at the 22.5-degree ingress charts for the 3-week period you are studying as I explained above.

Because the Lunar New Year is in Pisces and the ascendant is Capricorn - the ruler being Saturn for Chicago - look at the aspect to Saturn during the year. The Eclipse is in the second house. This is the money house and Venus, which also rules grain prices, rules the second house. You must also look at all the New Moon and Full Moon Lunation's during the year as well.

If we just look at Mercury aspecting Jupiter (a bearish planet) in the New Year chart we get the following dates: April 21st, June 27th, July 8th, July 15th, July 30th (which is most important), August 16th, August 26th, September 10th, September 25th, October 23rd, November 10th, November 29th, 9th December 9th, December 19th and February 24th 2016 (which is also very important).

The Hindu year is 2072, which equals 2015 starting on 14th April. The rule for grain is 2072 years x 2 = 4144 – 3 = 4141. Divide by 7 = 591.5, the remainder of 5 means it will be a happy year for grain and the prices will fall.

2015 is the 29th year of the 60 year cycle, which is called Manmatha. The Hindu's Yugas go back millions of years. The last cycle started in 3102 B.C when Jupiter/Saturn conjunctions with other cycles were close to zero Aries.

It is interesting to note that in TTTTA Gann said he made his greatest discovery on June 19th 1927. The last Jupiter/Saturn at closet to zero Aires was on June 19th 1821. The last one was on 15 February 1941 at 16 degrees Aries. There were three - August 8th and October 20th 1940 due to retrograde motions. This could be what Gann was referring to in the title " looking back from 1940”, on the cover of TTTTA. You may know that human life span in Hindu tradition is 120 years. 1821 to 1941 is 120 years. The planets below add up to 120 years.

	Constellation	
Sun	Krittika, U. phalguni, Uttarashada	
	Rohini, Hasta, Shravana	
Mars	Mrigshira, Chitra, Dhanistha	
	Ardra, Swati, Satbhisha	
	Punarvasu, Vishakha, P. bhadrapada	
	Pushya, Anuradha, U. bhadrapada	
	Ashlesha, jyestha, Revati	
Ketu	Magha, Mool, Ashwin	
	P. phalugni, Purva Ashada, Bharani	

This year is likely to be both good and bad. People are likely to enjoy prosperity but with some uncertainties. This year’s lord is Venus, this means there will be plenty of sugar, barley, wheat etc. and prices will fall.

There is a danger of rains, natural calamities and earthquakes especially after September 2015. Metals will also collapse which will push the $US higher and force the Euro to fall further.

The sixty Samvatsars are divided into three groups. The sak Samvat number is found by deducting 135 from the current year of 2072, this equals 1937. Number 29, or in the 29th year, you can find the basis for the start of the Jupiter cycle. 29 divided by 12 = 2.4, so you count the fraction, which is four. Therefore it is the fourth month from Aquarius, which is Gemini.

Gemini is ruled by mercury, therefore Grains. Sepharial explored a similar idea in his book “Hebrew Astrology,” in which the planets ruled for 36 years and 432 years - all numbers related to 144.

The Hindu years 2016, 2017, 2018, 2019 and 2020 are all bad years for business. The sixty-year cycle started in 1986, which was the crash in commodities. If you take multiplies back of 60 years from 1986 you get 666 – a bible number signifying the year of the beast. This is 1260 years ago (also a bible number.) This is “time, times and half time” as referred to in he Book of Daniel. Time being 360 is the average of the Sun and Moon together. Hence why there is 360 degrees to a circle (354.36 days + 365.25 days = 719.61 divide by 2 = 360). This also explains the figure of man as depicted by Leonardo da Vinci, of 144 degrees 5 x 144 = 720.

Refer also to the “Time Cycle” article wrote for ‘Your Trading Edge’ magazine which explains the coming depression.

The Square of Nine, number 9 stands for a Tuesday and Mars.

So the number nine is important. The numbers on the square of nine chart are 9,18, 27, 36, 45, 54, 63, 72, 81, 90, 99,108, 117, 126,135,144,153,162,171,180 etc.. My hand draw chart goes to 6889. You can convert all these numbers to Hindu Astrological degrees, which are 9 Aries, 18 Aries, 27 Aries, 6 Taurus and so forth.

Mars is at these degrees, on May 12th at 6 degrees Taurus, May 25th at 15 degrees Taurus, June 7th at 24 degrees Taurus, June 21st at 3 degrees Gemini, July 4th at 12 degrees Gemini, and July 17th at 21 degrees Gemini. This is a very important date for this year as it is the square of 81 (9 x 9). The number 81 is on the 315-degree line, (see below.)

The 81-degree line also has the number 315 in line. 81 days from April 14th is July 4th. There is nothing in the universe but mathematical points, as Gann would say.

The Square of Nine clock.

You would notice that around the Square of Nine are also hours of the day. Zero degrees is 6:00 AM. 22.5 degrees is 7:30 AM, 45 degrees is 9:00 AM, 67.5 degrees is 10:30 AM, 90 degrees is 12:00 PM, 112.5 degrees is 1:30 PM, 135 degrees is 3:00 PM, 157.5 degrees is 4:30 PM, 180 degrees is 6:00 PM, 202.5 degrees is 7:30 PM, 225 degrees is 9:00 PM, 247.5 degrees is 10:30 PM, 270 degrees 12:00 AM, 292.5 degrees is 1:30 AM, 315 degrees is 3:00 AM and 337.5 degrees is 4:30 AM.

The only time you can use these times is when sunrise is at 6:00 am, which is April 14th and October 17th each year. This is the time you would count from sunrise each day if you were going to use the calculator for day trading. For example, on the first 22.5 of the sun’s ingress which is the same as 7:30 AM or May 7th each year I would look at the chart for sunrise in Chicago that day. Sunrise on that date is at 5:39 AM, this is 21 minutes short of 6:00 am, and so 7:30 AM becomes 7:09 AM

(7:30 - 21 = 9) on May 7th. Wheat futures start trading at 8:30 AM, which is in between the 22.5 line and the 45-degree line. 8:30 AM minus 5:39 AM is 171 minutes, 171 minutes after sunrise.

There are 1440 minutes in 24 hours or a day. This is not exact of course, but good enough for this exercise. Every 22.5 degrees = 90 minutes (16 x 90 = 1440) or a square. So every 90 degrees you have covered 360 minutes or a circle - or on this calculator, from 6:00 AM to 12:00 PM.

Midday is never at 12:00 PM on the 7th May. On that day it is at 12:47 PM. The Sun (Earth) moves 1 degree every 4 minutes, so 171 minutes after sunrise is a degree angle of 42.75 degrees. This also equals 43 days, 43 days from April 14th is May 27th 2015. You would place the circular overlay on the 43-degree, which is close enough to the 45-degree line, and then watch the open price of wheat in relationship to this line. 171 minutes is on the same line as 531 which is on the 315 degree angles. This is 90 degrees exactly from the May 7th. So if wheat opened that day above 531 and fell more than 3 points below, it would collapse - at least temporary. No long term forecast can be based on this only, as its hourly charting. However a good top is likely to come by the May 11th 2015 and then keep falling all year to early October or later.

The 43-degree is 13 degrees Taurus, which is ruled by Venus, so this is the significatior for 8:30 AM. Venus is at 65 degrees or 5 degree Gemini on this day. 65 is opposite 171 minutes and square May 7th. At 8:30 we have Gemini rising, and if we look at Mercury (the ruler of grain and Gemini) it happens to be at 13 degrees Taurus - another line up.

This is how real time and price come together and why Gann took this chart into the pit for day trading. This line could have longer-term effects, as grains and all commodities continue to keep falling. The C.R.B index is to get to 180 or lower by the time the cycles finishes. As I said above, many farmers will be forced off the land by the banks as they make their big land grabs, it is part of the system of the rich and powerful.

THE HINDU NAKSAHTRAS OR LUNAR MANSIONS

There are 27 lunar Mansions of 13 degrees 20 minutes, 27 x 13:20 = 360 degrees. As you can see below the degrees overlap normal astrology signs of 30 degrees each. Each 40-degrees there is a pattern as well because
40 x 9 = 360. This is why the square of nine fits the Hindu system well.

	STAR	STAR LORD	DEGREES	Teji/ Mandi
	Asvini	Ketu	0:00-13:20	Teji
	Bharani	Venus	13:20-26:40	Mandi
	Kritika	Sun	26:40-40:00	Teji
	Rohini	Moon	40:00-53:20	Mandi
	Mrga	Mars	53:20-66:40	Teji
	Arda	Rahu	66:40-80:00	Teji
	Punarvasu	Jupiter	80:00-93:20	Mandi
	Pusya	Saturn	93:20-106:40	Teji
	Aslesha	Mercury	106:40-120:00	Mandi
	Magha	Ketu	120:00-133:20	Teji
	Purva Plalguni	Venus	133:20-146:40	Mandi
	Uttra Phahslguni	Sun	146:40-160:00	Teji
	Hasta	Moon	160:00-173:20	Mandi
	Chitra	Mars	173:20-186:40	Teji
	Svati	Rahu	186:40-200:00	Teji
	Visakha	Jupiter	200:00-213:20	Mandi
	Anuradha	Saturn	213:20-226:40	Teji
	Jyestha	Mercury	226:40-240:00	Mandi
	Mula	Ketu	240:00-253:20	Teji
	Purvasadha	Venus	253:20-266:40	Mandi
	Uttrasadha	Sun	266:40-280:00	Teji
	Abhijit	Moon	280:00-293:20	Mandi
	Sravana	Mars	293:20-306:40	Teji

	Satabhisaj	Rahu	306:40-320:00	Teji
	Purva Bhadra	Jupiter	320:00-333:20	Mandi
	Uttra Bhadra	Saturn	333:20-346:40	Teji
	Revati	Mercury	346:40-360:00	Mandi

Different planet's signs and lunar mansions rule each commodity. In the information above, where I refer to 43 degrees of the circle, you will see that it is ruled by the Moon, which is bearish (No.4). The Moon does not hit there until about May 18th 2015. In relation to the information contained in this article, Mars also hits this point on May 18th 2015. As mentioned above, Hindus broke the circle into even smaller degrees called Padas of 3 degrees and 20 seconds, of which there are 108. This is equal to the number of Gods Hindu's worship, (108 x 3:20 equals 360.) There are four Padas to one Naksahtras.

THE THREE WEEK SWING CHART

Because three weeks is 22 to 23 days which is exactly the 22.5 degrees of a circle, (365.25 / 16 = 22.82 days), you can use the three week swing charts as a guide line as well. For most people it is easier to simply use the three day-swing chart. Keep it simple.

To understand Gann fully you need to understand the "Secret Order" which Gann used. This is what Sepharial called the "Secret Progression". It took me twenty-five years to work this out alone. I may be a little slow – but this is why Gann said his secrets are not for sale. You will not find this information on any website – and my knowledge is not for sale.

This also why Gann's family did not receive his secrets - they did not do the work - especially John Gann who worked with his father for a while. There is no such thing as Gann 'made easy' - although this is what people would have you believe. Gann is not easy and simple – his processes are complex and hard, otherwise every 'Strawman' could do it (http://www.yourstrawman.com), https://www.youtube.com/watch?v=ME7K6P7hlko.

Do your own research, no website is going to help you. If you are serious about studying Gann you must read all Sepharial's books, plus the other publications on Gann's reading list . This is just a start. Most astrologers (who I call housewife astrologers) cannot afford one of Sepharial's books; let alone the 30 or so.

Across the world, most people teaching Gann are only covering a small fraction of his knowledge. This includes me.

Article written 6th April 2015 by David Burton dkb8@bigpond.com

Key Ingredients for your Trading Success

By Thomas Barmann of NeverLossTrading

Pick up your recipe for trading success: Financial decisions can be mathematically appraised; however, most traders make emotional decisions for entering and exiting their trades.

Take the chance and experience how you can focus on trade situations with a higher probable outcome; how you can decide for your trades based on numbers, using simple math; how you can put together clearly defined trading plans; how you can manage risk and position sizing.

A) Activity-Based Trading

The financial markets (stock market, commodities, currencies, and treasuries) are highly efficient and allow an immediate exchange of assets when the buy- and sell price offered do match:

You want to buy 10 units of asset-A for $100; if 10-units of asset-A are offered for $100, your order is immediately filled and you are the proud owner of asset-A, paying $1,000.

Let us go into the real world, picking a snap shot on crude oil futures, where we feel like buying 100-contracts. What is the price we need to offer for getting our order immediately filled?

To answer this question, we need to understand how the exchange for crude oil futures works: We pick /CL: Light Sweet Crude Oil Futures, traded at the CME (Chicago Mercantile Exchange). Taking a snap-shot of the actual offering, we see the following:

Bid: $47.37 x 3; Ask: $47.38 x 4, +$0.51, +1.09% (the price for the crude oil future since yesterday's close increased by $0.51, which is a 1.09% price increase).

So, you can immediately buy four contracts, when you offer $47.38; however, what would we need to pay for the remaining 96-contracts, if you wanted your order to be filled right now?

Table-1: Level-II Information on /CL Crude Oil Futures

Ex		Bid	Bid Size		Ex	Ask	Ask Size		Ask Sum		Price x Size
0		$ 47.37	3		3	$ 47.38	4		4		$ 189.52
2		$ 47.36	8		5	$ 47.39	19		23		$ 900.41
6		$ 47.35	21		7	$ 47.40	10		33		$ 474.00
5		$ 47.34	32		2	$ 47.41	14		47		$ 663.74
9		$ 47.33	7		8	$ 47.42	8		55		$ 379.36
8		$ 47.32	7		4	$ 47.43	8		63		$ 379.44
1		$ 47.31	9		1	$ 47.44	7		70		$ 332.08
3		$ 47.30	15		9	$ 47.45	9		79		$ 427.05
7		$ 47.29	10		6	$ 47.46	14		93		$ 664.44
4		$ 47.28	9		0	$ 47.47	7		100		$ 332.29
										Av. Price	**$ 47.42**

Your 100-contract market order for immediate fill would achieve an average price of $47.42, consuming the entire offering (Ask Size). If other market participants had a demand for crude oil futures as well, prices would immediately rise above and beyond the last offer of $47.47.
You might say: Which private investor buys 100-crude oil contracts?

This is for sure a good statement; however, a 100-contract-order is nothing for institutional investors, who dominate more than 90% of the crude oil futures exchanged: Approximately 300,000 contracts per day.

Thus, if you were able to constantly follow Level-II price information, tracking and tracing the happening, you would be able to spot and follow changes in supply and demand. Trying to follow Level-II price change with your own eyes is like going back to the times where traders read price changes off the tape; however, with the help of an activity-based trading system, we can help you to spot and follow institutional price changes, real-time and right on your charts:

Graphic-1: Ticker Tape and NeverLossTrading Top-Line 4-hour Crude Oil Futures

With the help of vector graphics, changes in supply and demand can be portrayed on the chart, where potential buy- and sell thresholds are calculated by an activity-based trading system, indicating: if the price level of $45.81 is surpassed, additional demand is assumed; driving the price to at least the dot on the chart: $46.71. When the dot-price-level is reached, we assume that institutional investors will adjust inventories and prices will either retrace or revert.
By that, you know from the get go: Entry- and exit prices for your trade, with a stop at specifically defined price points of the trade initiation candle.

Key to success: You only trade when the Odds > 1.5 in your favor, calculated as follows:

Odds = (Probability for Success x Reward) / (Probability of Failing x Risk)

Trade Situation-1 on the Chart: (0.75 x 0.9) / (0.25 x 0.8) = 3.0; odds in your favor.

Please check the chart again to notice how at every instance, when the prices reached or surpassed the dot-price-level, a retracement or reversal took place: Again, this price behavior is a result of institutional investors shorting or floating supply and thus bettering their inventory positions. From now on, you can follow these repetitive patterns by using an activity-based trading system, which helps you to spot changes in supply or demand right from your charts.
In many cases, private investors tend to trade futures in much shorter time frames. Does an activity-based trading system work there, too?

Let us take a snap shot on a 2-minute chart for crude oil futures:

Graphic-2: TradeColors.com 2-Minute Crude Oil Futures Chart

With **TradeColors.com**, we initiate a trade when a price continuation pattern of two-same-color candles is painted on the chart. On a very short time frame, like the 2-minute chart, we get additional orientation points by our trade channel indicator, which helps us to trade channel-border to channel-border, and breakouts. After prices break out of the trade-channel, you favor two-same-color-candle setups in the direction of the breakout, neglecting opposite price moves. Following this concept, the above chart shows five confirmed directional price moves, with predefined entries, exits, and stops:

- The exit price is pre-calculated by a price move approximation.
- We leave the trade after five candles, assuming a retracement or reversal.

Again, an activity-based trading system gives you a clearly defined trading plan by portraying institutional price action on the chart that you can spot and follow: The crowd follows the leaders, producing a Level-II price change – and you are in the position to follow new price trends and you exit before they end.

What is your take away so far? Activity-based trading systems produce high probability trade setups, while you only trade when the odds are in your favor, gauging the maximum risk you can take in a trade.

Are there more ingredients for successful trading?

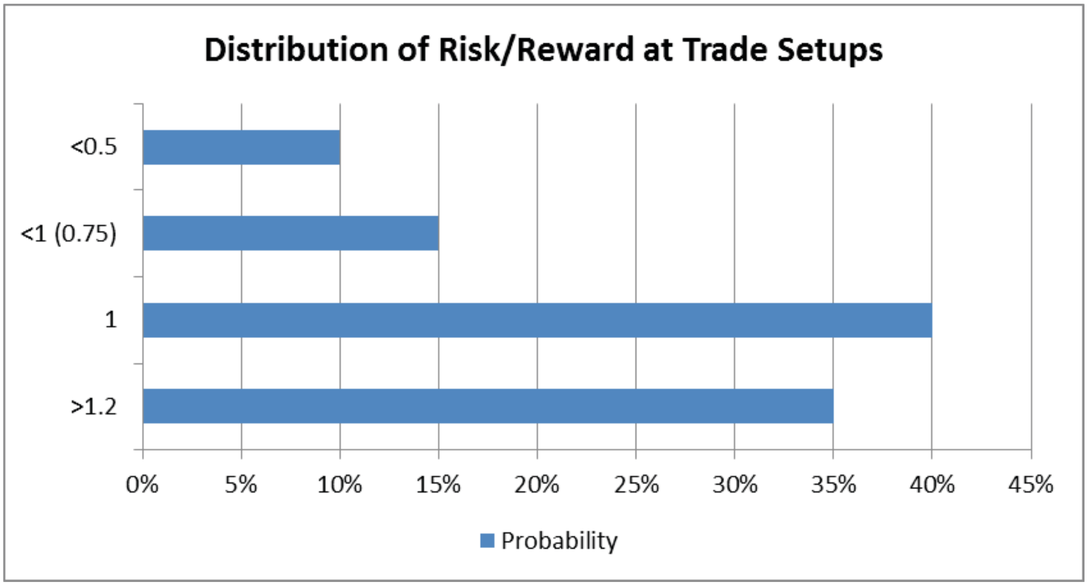
B) Trade with a Trading- NOT a Gambling Mindset

With a gambling mentality, you would start to risk more when trades do not work, aiming to quickly make up your losses; however, with a trading mindset, you apply strict rules based on your chart setups and odds appraisal; calm, calculated, and repetitive, never cutting winners short and never letting losers rise.

The odds appraisal depends on the strength of your trading system. Commonly, moving average-based systems (MACD, Bollinger Band, Stochastic..) have an attainment rate of about 55%; high probability-trading starts at a 65% attainment rate and very strong systems produce above 75% winners; however, the winning percentage alone does not guarantee trading success. For bringing a directional trade to target, while the price moves in your desired direction, you need to give your trades an adequate wiggle room, which defines the relation of risk to reward in a trade.

Based on our statistics, we experienced the following risk/reward-distribution at trade-setups to bring the trade to target:

Graphic-3: Likelihood of Reward / Risk-Constellations at Trade Setup



By the graphic-3, you will have a 10% probability to spot reward/risk setups that have 2-times the reward to risk or $0.5 risk on an expected $1 reward; however, in 35% of the cases, you need to give the price a >1.2-times-reward-wiggle-room to come to target; 40% of the time, you find a 1:1 reward/risk relationship, giving you only in 25% of the cases situations where the reward is higher than your risk.

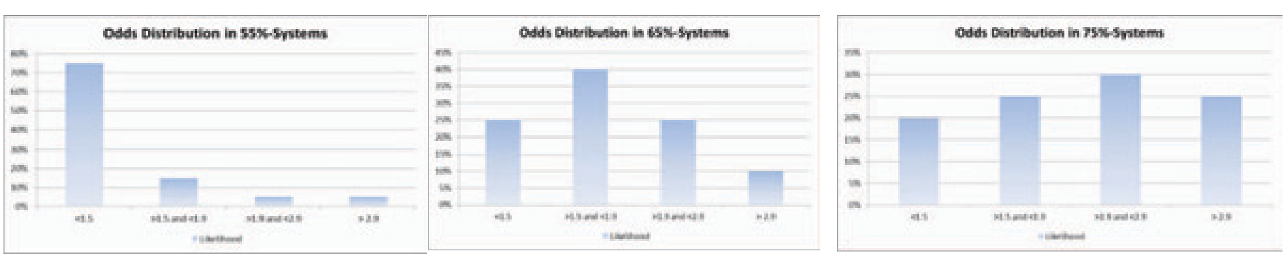
Key question: How do you find such setups?

Surely, you can go through hundreds of charts; however, you can also use an alert service, which is helping you to find the specific chart setups you are looking for:

Check out NLT Alerts and click here for a special offer…click.

In the next step, we pair the reward/risk-distribution with the odds calculation for a 55%-, 65%-, and 75% attainment-rate/probability trading system.

Graphic-4: Approximated Odds Distribution by System Probability



Graphic-4 shows: When using a system with a 55% probability to spot the right direction, in 75% of the trade setups you find, the odds will not be in your favor: Odds-Ratio < 1.5.
This relation drastically changes, when you are using a 65%-probability system, where 80% of

the trade setups you might find will produce acceptable and sound trade returns.

When you are able to trade at a 75% attainment rate, you can really stacker the odds in your favor by finding 55% trade setups with odds ratios above 2.

We hope, you see the value of what is shared here: In case you remain with a low probability system (back test it over 100-trades based on clearly set rules), please be aware how you drastically reduce your productivity rate: returns produced over time.

When we assume the same amount of signals per observed time-unit, and calculate for the three systems the productivity rate by relating the participation rate with the odds ratio and probability for success, we come to the following results:

Table-2: Trading Systems Compared by a Productivity Measure

Productivity (100 Signals)	55%-System	65%-System	75%-System
Signal Participation Rate	25%	75%	80%
Odds >1.5 and <1.9	3.19	15.50	14.06
Odds >1.9 and <2.9	2.58	10.56	17.63
odds > 2.9	3.25	4.75	15.63
Productivity Factor	9.01	30.81	47.31
Relation to 55% base	100%	342%	525%
Relation to 65% base	-71%		154%

The calculations of table-2 show:

When you are using a higher probability trading system, your productivity rate is 3.4-times higher when moving from a 55%-system to a 65%-system and 5.25-times higher when moving to a 75%-system. A 75%-system produces a 54% higher return than a 65%-system.

If you want to experience, how activity-based, high probability trading systems work live, schedule your personal consulting hour:

Call **+1 866 455 4520** or contact@NeverLossTrading.com

C) Money Management

As the next ingredient, we bring money management into your daily routine: Trading is all about risk containment and risk acceptance. Even so we might make a sound estimation of how the future price-move shall be, what you have the most control over is the risk you accept in every trade. In respect to risk containment, day traders have an advantage over swing traders and long-term investors. As long as day traders do not hold position over major economic news announcement, their stop is their stop and no additional risk is taken. Swing traders and long-term investors carry an overnight risk, where the price of an asset might gap beyond the expected stop price, exposing the trade to a higher than anticipated risk; however, this is not happening every day and can also be in favor of the trader.

Instead of taking a consecutive dollar-risk per trade, we are rather friends of a dynamic percentage risk.

Let us calculate with a $10,000 account. As a trader, your risk appetite should be between 1% and 5% per trade: In this case $100 to $500.

Every gain or loss shall dynamically adjust your investment volume, when you are using a percentage-risk model: Had you gained $1,000, our risk tolerance would be $110 to $550. This way, you are starting to compound interest and you dynamically increase your gains. In case of losing $1,000 the risk tolerance per trade is $90 to $450.

Your salt in the soup, you can even use further dynamics by differentiating your risk appetite by the odds appraisal. To demonstrate what this means, let us take an example of two traders:
Trader-1 takes a constant 3% risk and trades with clearly defined entries and exits.

Trader-2 follows the same concept and accepts an average risk of 3%, adjusted by the odds appraisal of every chart situation and the probability of the trading system in use.

Table-3: Dynamic Risk Adjustment Based on Odds

Odds Ratio Trader-2	Risk @ 65%	Risk @ 75%
Odds <1.5	0%	0%
Odds >1.5 and <1.9	2.5%	2.0%
Odds >1.9 and <2.9	3.0%	3.0%
odds > 2.9	6.0%	4.0%
Average	3.0%	3.0%

Return Approximation	Trader-1 @ 65%	Trader-2 @ 65%	Trader-1 @ 75%	Trader-2 @ 75%
Odds < 1.5	0	0	0	0
Odds >1.5 and <1.9	3,600	3,000	3,750	2,500
Odds >1.9 and <2.9	4,688	4,688	7,875	7,875
odds > 2.9	2,850	5,700	9,375	12,500
Retun	11,138	13,388	21,000	22,875

At a 65%-system, Trader-2 differentiates by the appraised odds and risks between 2.5% and 6% of his capital per trade, averaging a 3% risk. When using a 75%-system, the risk distribution is between 2% and 4% per trade, producing an average 3% risk.

The right hand table shows that the dynamically adjusting trader: Trader-2 produces in both models a higher potential return: +20% when using a 65% system and +9% when using a 75% system.

Summary:

- Activity-based trading systems produce higher attainment rates by following institutional money moves.
- Trade with clearly defined entries, exits, and stops, allowing you to appraise every trade situation.
- Only trade with Odds >1.5; calculated by appraising every trade situation based on (past

probability for success x reward) / (probability of losing x risk).

- Increase your return rate by dynamically adjusting your percentage trade-risk based on appraising the odds per trade situation.

With what we shared, we hope that you can increase your odds of winning. Speaking in baseball terms: You can now calculate, if a trade setup allows you to move from base-to-base or if you found a setup where you can hit for the fences.

If you like to use a readymade system, which includes all of what was shown here, including a one-on-one teaching, where we focus on your wants and needs, check the following examples:

D) Readymade System Examples

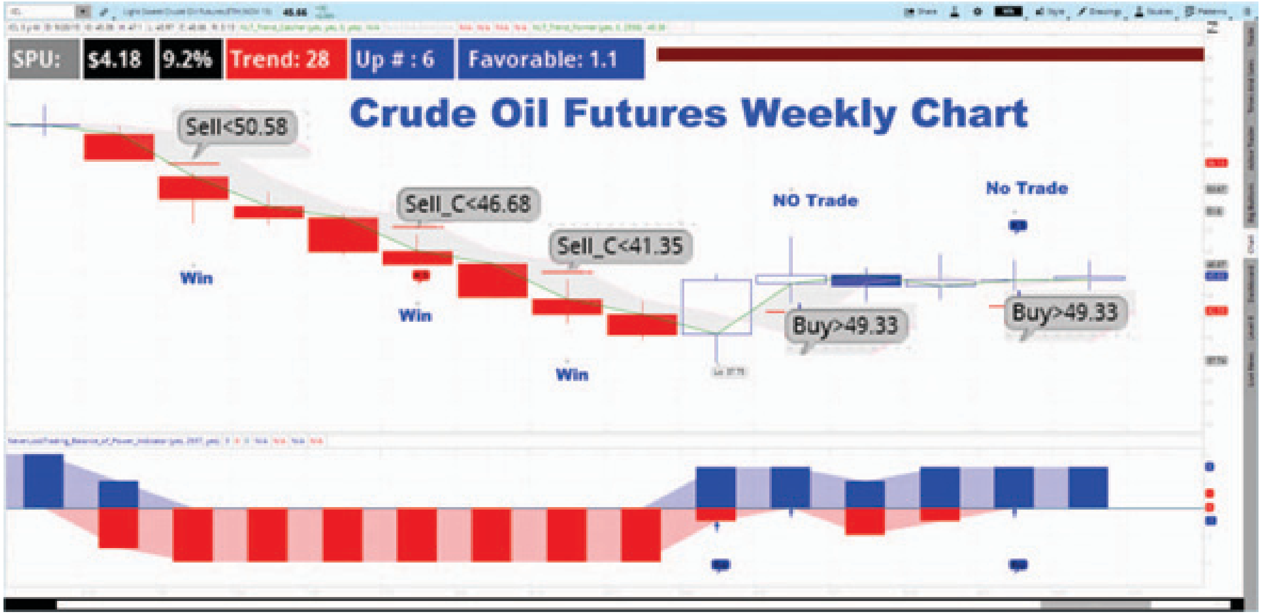
In all our NeverLossTrading systems and in TradeColors.com, position sizing models are included to quickly appraise trade situations. In our latest edition: NLT Trend Catching, we even added a bar-by-bar trade appraisal in consideration of the expected 1-SPU move (SPU = Speed Unit) and a stop at the red-horizontal-line drawn on the chart.

Graph-5: NeverLossTrading Speed Unit Definition

Every NLT Trend Catching chart has a SPU-meter on the top-left of the chart, indicating the expected dollar-move and the percentage-move based on the asset price.

Our trading systems work for all asset classes. To continue with what we had shown before, please see the below crude oil futures chart:

Graph-6: Crude Oil Futures Weekly Chart (magnified buy-/sell indications)



From the Speedometer bar, we read the following: SPU = $4.18, meaning that the system calculates an expected price move of $4.18 for crude oil, which would represent a 9.2% price move. By the trend information being in red, it tells you that crude oil is in an overall down trend, while it is currently at candle #6 of an up-move with a favorable trade setup, where the reward is $1.1 to $1 of risk. Without calculating, you read all of what you learned prior from the top bar off your chart.

In case that a weekly risk of about $4,000 per crude oil futures contract does not fit your risk tolerance, we can show you how you can still participate in such price moves by considering related, but different assets, reducing your risk per unit all the way to $50 and you still can participate in the price move of the commodity, currency or treasury.

Please always consider, we tune all our systems to your wants and needs and today can provide you with a special offer if you like to sign up for NeverLossTrading Trend Catching...click and mention code TWI61 (expires December 15, 2015) to receive your special discount.

In case, you want to start trading with our introductory product: TradeColors.com, you are always welcome to upgrade later, getting every dollar you spent on tuition for TradeColors.com acknowledged on the upgrade.

Teaching one-on-one, you are always receiving an executive service at your best available time and for the assets you are interested to trade or invest in:

If you like to trade stocks, why would you learn about trading live cattle futures; however, if this is your interest, we tune our sessions accordingly.

Each of your trading sessions is recorded, so you can go through all you learned like a professional athlete, training one-on-one until the learned sits and gets perfected.
We follow this principle for all NLT offers…click.

Let us pick an NLT Top-Line stock trading example, where at special setups; we focus on 2-SPU price-moves:

Graph-7: NeverLossTrading Top-Line Chart for NFLX (magnified buy-/sell indications)

The 4-Hour NFLX chart shows a SPU measure at the current bar of $3.5, which indicates a potential return on cash of $3.3%.

You see three buy signals that were confirmed by the next candle surpassing the set price threshold and we closed the trade either when a 2-SPU price move was concluded or at the 5th candle, including the trade-initiation-candle.

- Buy> 92.59 was exited at a 2-SPU price move of $3.40 (3.7%-return in one day).
- Buy>95.26 was exited at the 2-SPU goal with profit $4.40 (4.6% in two days).
- Sell<93.57 was exited at candle #5 with a small profit of $0.80 (0.9% in two days).
- Buy>95.19 was exited at the 2-SPU goal with profit of $3.13 (3.3% in two days).

In the above chart, in three out of four trade situations, the rule-based trader was better on, taking a positive exit at a pre-defined candle-sequence or at a 2-SPU price move: so, in 75% of the cases you were better on, holding yourself accountable for following clearly defined rules: make them part of your trading.

Call: **+1 866 455 4520** or contact@NeverLossTrading.com

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TARGET FILLED

By Al McWhirr
www.eminiscalp.com

The waves crashing on the beach, the sound of a crackling fire, the birds chirping on a nice sunny morning. All are beautiful sounds. I would just like to add another to the list. "***Target Filled".*** This sound just fills me with joy.

Hopefully, in this article, I will be able to give the reader some insight on how they can enjoy hearing the same sound.

Just over a year ago I wrote an article for TradersWorld magazine regarding our ***EminiScalp ABL*** Auto Trade. The information on our website at www.eminiscalp.com, along with the article as well as previous webinars, resulted in a response by an overwhelming number of eager traders who were searching for some tidbit of information that could finally put them on the profitable side of trading.

This current article will briefly review the ***EminiScalp ABL*** Auto Trade as well as offer an example of a simple trading method, a method that has ***never*** been tested or traded, to the best of my knowledge, but referred to only for the sole purpose of illustrating an uncomplicated approach to trading.

The ***EminiScalp ABL*** Auto Trade is designed to "look" for entries at the extreme areas, the current high and low. In many markets, the high and low are certainly target areas and new highs and lows are usually created throughout the trading day.

Many times a trader will watch price move up and assume that price can't go any higher. They may take a short just because they feel that the move is exhausted. To their dismay, price continues to rise and the trader gets stopped. This same scenario can also happen when price moves to the low of the day. Our EminiScalp ABL AutoTrade Strategy is designed to assess a variety of trading factors when price reaches these areas. When conditions permit, a trade signal appears. If set for autotrade, the trader is automatically entered into the trade.

A trader has the option of turning the autotrade off. When this happens, the signals will still appear, but there will be no auto trade entries. The trader has the option of taking these signals manually if he or she so desires.

There are those traders who are not able to determine important trade areas. Even if a trader was able to determine these trade areas, the question many have would be where the entries are. In regard to either the current high or current low of the day, where price seems to be attracted to throughout the session, our EMINISCALP ABL Auto Trade can certainly assist the trader in determining where the entries should be. In most cases, there are enough potential trades during the day to satisfy most traders. Of course, as with all methods, not all entries will be successful.

An arrow will appear on the bar or candle in which the trade is entered. Once in an ABL trade, there will be no other ABL entries until the current trade is completed, even if another entry arrow appears. The trader has the choice of closing the trade right from the screen if he or she wishes to exit before their trade strategy completes the trade.

What is nice about the EminiScalp ABL is that the trader does not have to know all of the ins and outs of the instrument he or she is trading. There is no need to review economic numbers, unemployment data, FOMC, oil inventories, etc. There is no need to check any overnight action or review Market Profile, or to look at support and resistance levels.

What do you find to be the most difficult aspect of trading? Taking the entry? Staying with your plan? Exiting a trade early because of emotion? Possibly not knowing where to enter? In talking with traders over the past years, I find that trading issues encompass a lot of areas.
There are those traders who believe the market is random. Anyone who attempts to trade a random market is just gambling. As such, it is my belief that the market moves systematically and logically. Traders may not trade the markets logically, but that does not mean that there is no logic in the market movement.

If a trader is truly dedicated and has the ability to follow rules and to stay focused, success can certainly be achieved. There are a variety of ways to read a chart and if the chart is read consistently the same way, positive results could be achieved. My hypothetical method that I am going to talk about may seem simplistic, but it is an absolute starting point for those who need a place to begin. What I am going to introduce may, or may not be profitable, as it is just an example, but if followed, it can be a way to learn discipline and rule following.

Firstly, let me state that there are trade areas all over the chart. There are trades to be taken near the high, trades to be taken near the low and trades to be taken at places in between. Of course, knowing where these areas are is what trading is all about. Even though you may have a setup at a specific area, it does not necessarily mean that there is a trade event. It all depends upon where the targets are. If you have tight stops, determining target areas is very important. Just like traveling, you have a beginning point and a destination. You wouldn’t travel south to go north. You would look for roads and highway access that would point you in the correct direction.

There are times when price may approach the high or low of the day. Any action that requires an entry may be difficult if the entry is manual. Taking an ABL auto entry enables the trader to quickly enter the trade.

Many traders do not have a plan and if they do, it may be too difficult to follow and to adhere to. So, I am going to throw something out here, what I call a beginners plan. Now, this plan may or may not be profitable due to a number of variables, which I will attempt to explain. The purpose of this simple trading plan is not to be profitable, although it certainly could be, but to encourage focus and discipline, as well as to assist a trader in observing market action within certain trade areas.

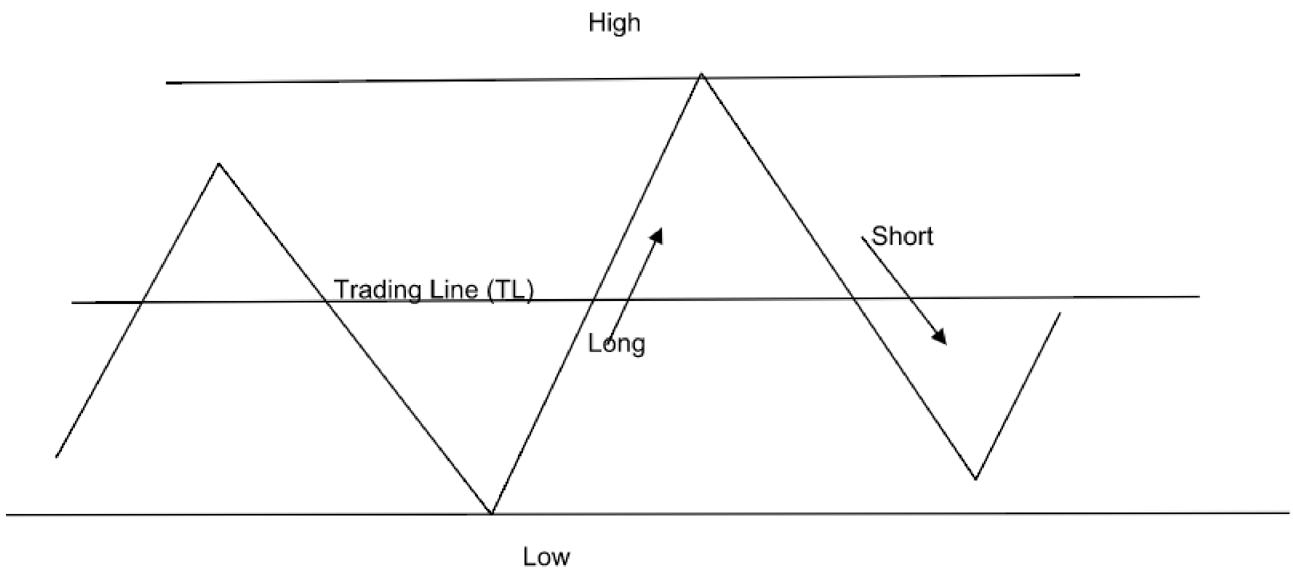
Here is how we begin;

If you took the difference between the current high and low of a particular instrument, and divided this number by 2, then you draw a horizontal line at this point, and you decided that you would take a long trade if the price was at least 1 tick above the line, and only if the price crossed this line from below. If your target was set at 3 ticks and your stop was set at whatever, and you decided that this was going to be your trading method, then you know what? You have a plan. Now, you would need to stick to it and trade this plan only. If, down the road, you choose to add a moving average or a bollinger band, then you are altering your plan and you are not staying with it. If this method you have devised looks as though it is working for you, then there would be no need to change anything.

1. Select your market
2. Determine the current high and low. You can visually do this by adding the CurrentDayOHL from the NinjaTrader Indicators. The high and low will be shown and will be updated as needed throughout the trading day.
3. Determine the exact number between the high and low
4. Draw a horizontal line at this point. We will call this our trading line(TL).
5. You now have a point to trade from, either for going long or short.

Now, you set your rules:

If the price is below the TR and is moving up to it, then plan on a long, only if the following takes place. The price must move above the TL and when the first bar closes ABOVE the TL, then prepare for an entry on the close on the very next bar, as long as the close is above the TL. The same trading entry takes place for going short. As you develop this simple method, you may want to tweak it a bit, but try and refrain from adding indicators. You want a clean chart whereas you trade the price, not an indicator.



Now, I realize this is very simplistic and that there are a number of variables that may need to be considered. There are other conditions to be considered when creating a trade method, but this is a starting point and SIM trading this simple method just may expose some trading opportunities that a trader may never have noticed. I certainly would consider a tick chart, possibly 144 or a bit higher. There may be a lot going on within a 1 minute, 3 minute or 5 minute bar, activity that you may be unaware of. As such, a 1,3, or 5 minute bar may close to far from your TL, thus not allowing you to enter at the sweet spot, eliminating possible profit.

Let's move forward and set up your trade management. I realize that traders want to squeeze as much profit from a trade as possible, but without a very good knowledge of how to determine target areas, this may not be a reality. As much as one would like to get 3 points on a trade, this just may not happen for a good many trades. A number of years ago I had a trader who came on board who had purchased a method about one year prior to him contacting me. He explained that he purchased the previous method because it boasted 2 point targets with 5 tick stops. In essence, this meant that every time he entered a trade as per the rules of the method, he expected to realize 2 points. Well, according to him, he was cleaned out within a few months. I asked him if he had adjusted his target to say 1 point or even 5 ticks, could there have been a possibility that he would have had more profitable trades. "Absolutely", he said, but he was just following the rules. Rules need to be appropriate for the method. Amending the rules to fit the method was all that may have been needed in order to make the method profitable. Target areas vary with every entry and without the knowledge of how to determine target areas, a trader is certainly at a loss. The way I see it, is if you are not adept in determining target areas, and if you still insist on trading, it may be a good idea to take smaller and quick profits, and just do this more times throughout the day.

If you have deep pockets and your emotions do not interfere with your trading, then larger stops can be considered. But, this scenario is not the norm for most traders. Also, you really do not have to be a market guru. The goal is profit, and creating an environment whereas you are overloaded with market data can cause stress and hesitation. Keep your trading simple.

So, let us return to our simplistic method for some variations on trade management. For this example, let us select the CL as the market we want to trade. We have our TL on the chart and we have determined that we want 10 ticks as a target and 6 ticks as a stop. Over a period of 10 trades, we have losses in 9 of them. ***OOPS!!!,*** this method is no good. Hey, not so fast. Let us examine all of these trades to see what had transpired. As you look at all of these trades, you realize something. Nine out of the ten trades moved at least 5 ticks before the price reversed. Over a period of a few weeks, you have noticed that this particular scenario is consistent and that it seems that you can realize a 4 tick profit a high percentage of the time. Actually, this is not a bad method then. If you had let your frustration overwhelm you early on when you had a 10 point target, this method would have founds its way into the trash barrel.

In my humble opinion, reducing the overload is key to success. I realize that there are traders who review overnight price action, looks at market profile, review all of the news related to the particular market, reviews a variety of charts, etc. The list goes on. I am not saying that all of this information is not pertinent, as it may be for a particular trader. But, if your time is limited due to a job and family obligations, it may be better to just trade what you see because I believe that all you have to know is right there on the chart.

Below I have added screen shots of the CL, from this past Columbus Day. Of course, the ***ABL*** does fine with most markets. The purpose of these shots is to illustrate a variety of profit situations that can be considered.

In the screen shot above, the arrow represents the bar on which the trade was taken. The black horizontal line represents the current low of the day. Notice how many new lows were made before the ***ABL*** internal conditions decided it was time to go long. From the entry, the price moved up about 7 ticks before a pullback. If I am not mistaken, the price eventually went to about 47.47 before the market closed. Now, how many traders would be able to stay in for that long? Not many. The price never really threatened to be stopped out, although there were pullbacks along the way. For the skittish trader, I would suggest either taking a few ticks and waiting for the next set up, or use a trailing stop. Not all trades move like this and since no one has a crystal ball, the best bet is to take a reasonable profit and move on.

The above chart is similar to the previous. The bar closed at 47.17, which was the entry and the price moved above 47.35. As mentioned previously, unless you are very familiar with determining targets, your best bet is to take your reasonable profit. Again, there were continued lows until the ***ABL*** decided it was time to enter. Also, don't ever feel that you "left money on the table" if you are not part of the complete move. You want to build confidence and reduce the emotion, so take a set profit or use a trail stop and don't think about what could have been. I had one trader ask me a while back just how much slippage there is with this method. Firstly, the "slippage" is minimal, if at all. Slippage is not a method issue, it is a market issue. Let's look at one more chart.

The chart above shows two entries, with nice profit potential on both. One item to note is that if you are in an ***ABL*** trade, you will not be re entered into another ***ABL*** trade until the previous ***ABL*** trade is completed. So, if you entered on the first arrow, and you were still in the trade when the second entry (blue arrow) appeared, you would not be entered again. If you entered on the first arrow, took your profit, then you would have a second entry on the next arrow. Notice the continuous lows that were made before the ABL determined it was time for a long.

Of course, the ***EminiScalp ABL*** works just as well for shorts, as well as on a variety of other markets. Please understand that you will have the occasional stop. But, they can be minimized by proper and sensible trade management. Although the ***EminiScalp ABL*** formula is a bit more complex than our hypothetical example, it doesn't mean the working with hypothetical methods such as the TL has no merit. The value is in the simplicity as it encourages a trader to view price in specific areas rather than have a trader look for entries all over the chart. This helps with the confidence, focus and discipline.

If, after all of your work, you are still having difficulty with the entries, whether it be emotional or otherwise, then an auto trade method, such as the ***EminiScalp ABL*** may be what is needed. The only consideration that may have to be addressed is the trade management, which is much easier than determining entry points.

As I mentioned previously, there are trade opportunities all over the chart, at the extremes as well as in between. The in between trades require a knowledge of critical areas. If you don't have this knowledge, it does not mean that you can't profit, because you certainly can. It may require that you look at trading areas where price is consistently drawn to. Then, look at what price does at these areas. Start formulating a plan that allows the opportunity for you to take advantage of what price does. This is not an overnight process. It will take screen time. Being able to focus on something specific is a great starting point.

If you decide to play around with our hypothetical Trade Line method, keep an eye on the highs and lows, and see what happens when price reaches them. Once the price reaches one of these extremes, think ***EminiScalp ABL***, and visualize the arrow popping up and you being entered into the trade. Watch what price does and then visualize where your profit would be. When you feel it is time to join the ***EminiScalp ABL*** community, contact me. We will be happy to bring you aboard.

No matter what method you trade, whether it is one you have created or if it is one you purchased, stay with it and give it a chance. Just try to reduce the clutter, be reasonable with profit targets, and stay with the plan. It is always uplifting when you hear the NinjaTrader lady say;

TARGET FILLED.

Email me at info@eminiscalp.com for more information

A Major Price and Sentiment Cycle Alignment in Gold and Silver

by Lars von Thienen, www.whentotrade.com

Back in 1949, investing legend Benjamin Graham eloquently characterized the cyclical nature of financial markets in his book "The Intelligent Investor":

"The market is a pendulum that forever swings between unsustainable optimism and unjustified pessimism."

Today, the emerging field of social media sentiment datasets supports Graham's point of view, providing a strong empirical foundation for the overreaction bias that is often the driving factor in cyclical markets. In recent years, social media has become ubiquitous and important for social networking and online communication among market participants for stock market news.

According to many behavioral economics' studies, mood can profoundly affect individual behavior and decision-making. Mood predisposes people toward certain decision-making processes, and crowd mood can cause events and trends to occur. The ability to find and quantify the underlying mood trends can enable the informed trader the probability of trade direction in advance of news events. Positive or negative underlying crowd mood can trigger the buying, or selling of stocks.

Public sentiment ebbs and flows over time as a function of the general public's disposition and can be analyzed and quantified as a result. The challenge and objective for this study is to analyze sentiment and price data for purposes of discovering underlying cycles, in order to make forecasts and predictions based on historical and current data. The successful analysis of said data can arm the sophisticated trader with foresight into the progression and turns of the overall sentiment / mood cycle, and market turns as a result.

Normally, social mood waxes and wanes positively and negatively in the form of dynamic cycles. Social mood refers to a feeling, emotion or attitude about something, and, of course, it can have a range of values. Whenever mood is related to corporations or the economy, the character of events will unfold in the related financial assets.

Sentiment information can be a very useful tool for trading professionals. Historically, professional traders would listen to the activity on the market floor through a series of microphones and desktop speakers known as "Squawk-Boxes" to "feel the mood", and anticipate turns in the market's direction based upon the tone and activity level on the trading floors. However, due to the advent of electronic and computer trading methodologies, the market floors have largely moved from people shouting at each other on the market floor, to datacenters with automated trading strategies and execution platforms. This has rendered the trading desks unable to listen to the “mood of the market,” thereby eliminating a crucial piece of data from trading desks worldwide.

At the same time as the markets were moving from human-based to electronic-based trading activity, social media and internet chatrooms have been undergoing rapid growth. The financial market conversations which used to happen on the trading floors, are now happening online, thanks to websites like Twitter, StockTwits and private chatrooms.

Consequently, the team at PsychSignal created a way to mine the data sets from these online providers, in order to restore the lost connection between the trading floor, markets and traders. They call their product the “Next-Generation robotic Squawk-Box”, or “SquawkrBOT” for short. The product acts in the same way that Squawk-Boxes used to connect trading pits to trading floors, but brings the concept to the 21st century by connecting social media datacenters and trading datacenters to trading floors by complex datamining and language processing algorithms instead of microphones and speakers.

The PsychSignal SquawkrBOT operates by using a natural language processing engine employing a linguistic approach, in order to mine raw social “mood” information related to financial assets. It does this to learn how the financial trading public feels about specific securities. In this study, we combine that data, mined from a combination of StockTwits and Twitter data with the WhenToTrade cyclical pricing analysis tools, in order to decipher and track the dominant cycles for both live and historical price and sentiment data, going back to 2011. With the pair of tools working in tandem, we have created the ability to predict and forecast financial market turns in advance as a result of historical cycle analysis.

The study used sentiment and price cycle discovery algorithms to investigate the current market conditions, in context to historic data. The objective was to investigate how social media sentiment can be used to predict financial cycles. In particular, the study’s intent was to analyze how social chatter, pre-processed from PsychSignal, can be used to forecast market turns in Gold & Silver.

Chart 1: PsychSignal live website dashboard screenshot with WhenToTrade Cycle algorithms shown

The WhenToTrade cycle algorithms were applied in order to discover the underlying sentiment and price data cycles, and generate forward-looking cycle predictions based upon those historic cycle results. The detected cycles are presented as a dominant price cycle (brown line) and sentiment cycle (yellow line). (See Chart 1)

The algorithms have detected an alignment between both sentiment and price cycles bottoming out on Aug 27, 2015 with an upward projection through September and October, reaching a peak by the end of November, which then reverses direction towards the end of the year.
In theory, as with all sentiment vehicles, the scores work as contra-indicators. Thus, extreme points of bullishness should correspond to market tops, and extreme bearish composite scores should correspond to market bottoms. This is what we called the “hot-spots” of maximum financial risk or opportunity. The sentiment cycles for Gold (and also Silver, please review the website with all charts) now shows the hot-spot we like to detect of maximum financial opportunity. We would expect the sentiment to turn during the first half of September and this should also be reflected in the price of the metals following the sentiment.

Situations like these, where both cycles are in alignment, coupled with our internal alerting threshold levels can pinpoint important market situations.

However, never trade just a forecast on sentiment alone. You need some more confirmations before you put money on the line. Therefore, it is important to also analyze the cycles on the price of the metals. If we can detect an alignment of price an sentiment cycles, we have a valid signal to enter real trades. This is the classic cycles-within-cycles alignment between price and sentiment. The following two charts show a more detailed dominant cycle analysis on the price chart for Gold to confirm the detected sentiment cycle alignment. (See Chart 2)

Chart 2: Price cycle analysis confirmed the bottom for Gold on daily and weekly charts.
The daily chart on the left side shows a detected cycle length of 160 days in the lower panel, which is exactly in sync with the bottoms and tops of the futures price. These charts have been created on Aug. 28th 2015 and have been made public at the time of the analysis on the whentotrade website and news section. Saied this, it shows that it is a valid real market example on how to apply cycle analysis on sentiment to decipher important market cycles.

Another dominant cycle on the weekly chart is also in alignment with the projected cycle low in the futures.

So we have an alignment of the sentiment cycle with the current price cycles on daily and weekly timeframe. On top of that, the price cycles are in alignment with the sentiment swings shown in the beginning of the article.

This is similar to a situation when the music of an orchestra is in tune and vibrates with the “crowd”. You know, now it is time to dance. Your feet’s will click with the beat automatically. In the financial environment, now the trader’s finger vibrates with the keyboard to place a trade. Financial sentiment cycles are like good music – you can hear if they are in tune or out of tune. PsychSignal and WhenToTrade have invented a platform to show if the sound is in or out of tune.

According to the cycle alignment, the forecast is indicating that a bull cycle for the gold sector is positioned to start in the beginning of September, 2015. Such cycle alignment on sentiment, price, daily and weekly charts happening at the same time is usually indicative of a strong signal with high probability of realization. According to the study, the current cycle position situation indicates that $GLD is currently at a bear-market bottom, and is likely to see upward price and sentiment pressure into the November period.

As we deal and follow a real dynamic behavior of cycles, the situation is subject to change and needs to be updated and reviewed daily. This forecast and the related charts have been published live in the public forum in our WhenToTrade magazine on August 29th just some days before the bottom happened in gold. The charts and forecast can be reviewed at the following link: https://www.whentotrade.com/?p=7624

This article underpins the importance of cyclic research in social sentiment data sets in order to forecast important market turns. Thus, the combination of state-of-the-art sentiment data from PsychSignal with the latest cycle analysis and prediction tools from WTT delivers a truly unique view on financial markets.

Lars von Thienen
www.whentotrade.com
www.psychsignal.com

Putting the Cycles Back into the Market

By David Hurst

Hurst Cycles

For many years I have been using Hurst Cycles to analyze and trade financial markets, from forex to futures and everything in between. JM Hurst was an American engineer who published two seminal works in the 1970's: a book titled *The Profit Magic of Stock Transaction Timing*, and a workshop course, the *Hurst "Cyclitec" Cycles Course*.

In his work he lays the foundation for a theory which describes how the prices of financial markets are moved by cycles. His work earned him the reputation of being "the father of modern cycle analysis", and his cyclic principles have stood the test of time: the cycles that Hurst identified in the 1970's are still beating with the same rhythm today.

In essence Hurst's cyclic principles explain how multiple cycles influence price to move up and down. These cycles are not fixed. The wavelength and amplitude of each cycle varies constantly (Hurst's *Principle of Variation*), although the relationships between the collection of cycles which make up the "cyclic model" are constant.

Using an analysis process described in Hurst's *Cycles Course* we are able to determine the current "phasing" of each of the cycles, as well as determine their recent wavelength and amplitude.

The result of the analysis is then proudly presented on a chart such as this one of the EURUSD forex pair:

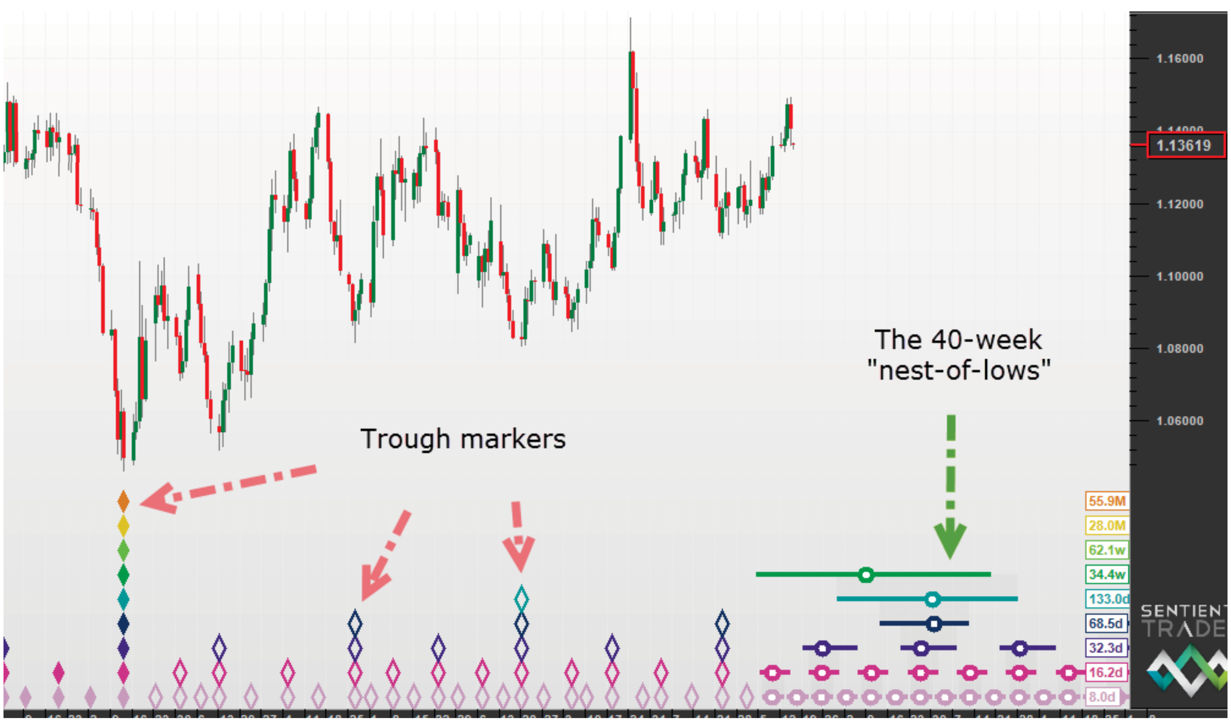


Figure 1: A Hurst Cycles analysis of the EURUSD, presented with Hurst's diamonds.

Reading a Hurst Cycle Chart

Those diamonds at the foot of the chart show where the troughs of each cycle formed in price (there is a subtle distinction between the trough of the actual cycle, and the trough which manifests in price because of that cycle). The recent wavelength of each cycle is presented at the right hand edge of the chart, and the next expected troughs are shown graphically by means of the "circles-and-whiskers": the circles represent the exact time each cycle is expected to form a trough; and the lines to each side of the circle represent a reasonable range of time for the trough (bear in mind that cycle wavelengths are constantly varying).

Cycles have synchronized troughs (Hurst's *Principle of Synchronicity*), which means that the troughs of different cycles occur simultaneously (when their phasing allows, not all troughs of all cycles can occur simultaneously because the cycles have different wavelengths). Because of this the "circle-and-whisker" markers of future expected trough positions tend to cluster together and form what Hurst called nests-of-lows. Nests-of-lows show as triangles at the foot of the chart. In figure 1 you can see a nest-of-lows for the 40-week cycle centered around the end of November 2015. That indicates that we expect the 40-week cycle to form a trough in price at that time.

To an experienced Hurst analyst that chart presents a wealth of information which can be readily discerned at a glance. For years I have been presenting such charts, and waxing lyrical about the accuracy (or not) of the analysis, and what this meant we could expect, because there is a wonderful underlying axiom to cyclic analysis:

"Because cycles are (by definition) the expression of a regularly repeating behavior, we expect them to repeat what they have done before (with some variation)"

At first glance that might not seem very wonderful, but the point is this: because cycles "repeat", if we are able to identify what they did in the past, we have the basis for making projections into the future.

And so the true benefit of a Hurst cycles analysis is not to simply identify what various cycles have been doing in the past, but to use that information to help us understand what is going to happen in the future.

An experienced Hurst analyst is able to look at the chart above and form an idea of what to expect as we move into the future. But that is a fairly arcane skill, and there is a complex art to it because we know that cycles constantly vary.

Time for an update

I have spent many, many hours over the past years drawing wobbly lines onto charts to explain what I see as the expected future path of the market.

I came to the realization that not everyone "saw" what I was seeing on the charts. The presentation of the results of the analysis by means of Hurst's diamonds and the circle-and-whiskers is a 40-year old graphic method, and it is probably time that we update it.

And so I set about finding a better way of presenting the wealth of information that the analysis provides.

Meet the Composite Model

The analysis process is one of extracting the cycle information from the price data. What if we took all of that cycle information (the wavelengths, amplitudes and phasing) and put it back together again? Perform the reverse of the analysis process, and put the cycles back into the market.

The result is something I call the Composite Model.

There are two benefits to be derived from the Composite Model:

- We can compare the output of the composite model (the Composite Model Line or CML) with price, and determine how good our analysis is. The closer the CML is to actual price the more accurately our cyclic analysis represents the price action.
- We can extend the CML into the future, and see at a glance what the analysis is telling us is expected to happen.

Here is the CML on the same chart of the EURUSD forex pair:

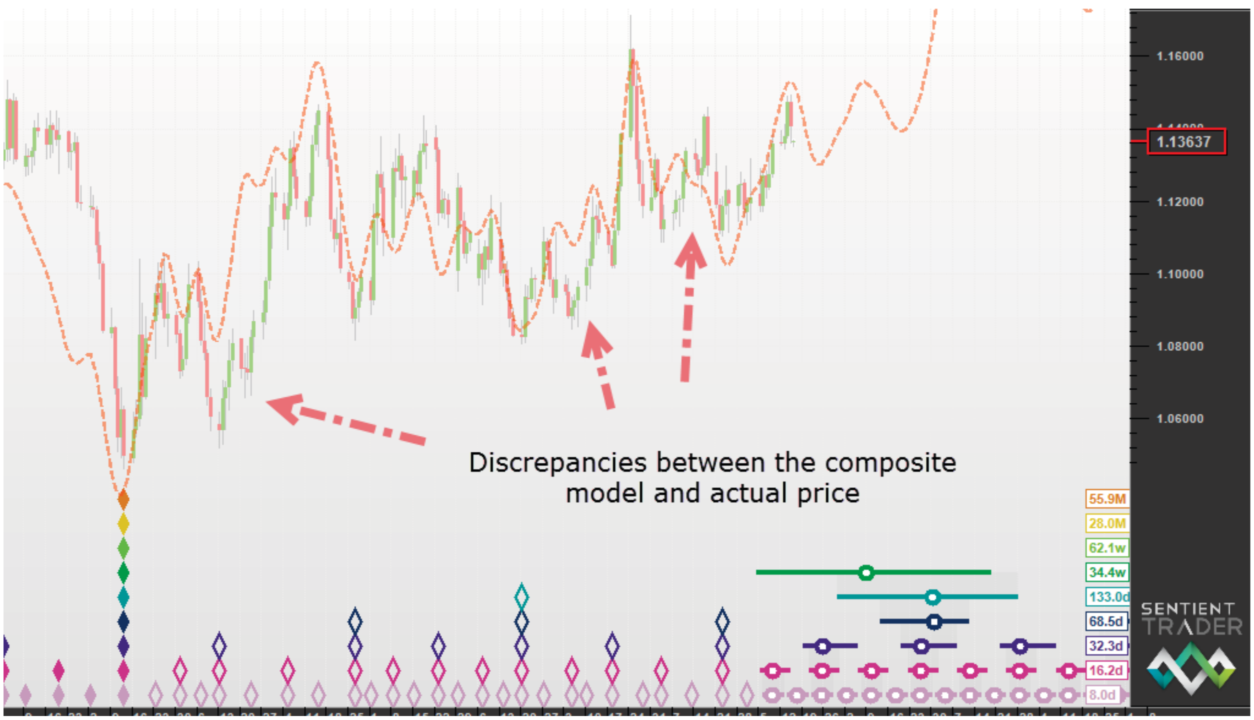


Figure 2: The Composite Model Line superimposed over price of the EURUSD.

Accuracy of the analysis

The first use of the CML is to determine the accuracy of the analysis. We can see in the chart above that the result of our cyclic analysis is a model that matches price action fairly well. There are some discrepancies, where price moved at odds to the composite model, but that is not unusual or unexpected. Cycles do not make up all of the price action, and other influences on price action (random influences, market manipulation, fundamental news events and so forth) will inevitably exert themselves and cause some variation.

Projecting into the future

The most exciting use of the CML is undoubtedly the projection into the future. It is also possibly the most dangerous and potentially misleading aspect of the composite model.

Figure 3: The CML indicates that we should not expect a big move down.

First the positive: the chart above shows that price is expected to move down into a trough of the 40-week cycle in November (the nest-of-lows mentioned earlier), but it is not expected to be a very strong move down. The CML achieves something that it is very hard for a human analyst to get right – combining the effect of all the cycles.

But why do I describe the projection as dangerous? Perhaps it is just me, but when I see a line on a chart I have a tendency to attach significance to it. There is something about a line on a chart that is very "black and white", no room for uncertainty. And when it comes to projecting cycles into the future, uncertainty is very much a part of the process.

Our cycle model is a dynamic model which gives us an indication of what we should expect. This indication is based upon one very important presumption: that the cycles will continue to beat with the same rhythm.

But we also know that the cycles will change (Hurst's *Principle of Variation*), and so we are ironically aware that our projection into the future is inevitably flawed.

And so the best we can do is work with the information that we have, and bear in mind that it provides an inherently flawed projection. This brings to mind one of the SEC required disclaimers about the trading of financial markets, which states that "past performance is no guarantee of future profits". This has always struck me as a worrying disclaimer, because surely we make all of our decisions on the basis of past information? And when considering a trade, we rely heavily upon the "past performance" of the trading process we are using.

As a cycle analyst and trader it is a particularly ironic disclaimer. The concept that what has happened before will happen again is at the core of everything we do and every trade we make.

The Cycle Trader's paradox

Despite this, the Composite Model and its Line provide us with extremely valuable information on the basis of which to make trading decisions. Take this longer-term chart of the EURUSD forex pair:

Figure 4: A longer term projection for the EURUSD.

The CML indicates we should expect the EURUSD to rise to a peak in late August 2016, and then short trades will be the order of the day for a year after that. But it is important to realize that over the next two years there will be a good deal of opportunity for those cycles to vary: expand and contract. The further we move into the future, the less likely the projection is accurate.

And so before you rush off and place your stop orders: bear in mind the cycle trader's paradox:

"Any projection into the future is only as good as the analysis it is based upon. And we will only know how good the analysis is when the future is past!"

The above analysis is largely based on the premise that a 4 ½ year cycle formed a trough in March of this year. If that turns out to be incorrect, we would need to perform a new analysis, and put those cycles back into the market, and see what they say then.

If you would like to learn more about Hurst Cycles please take a look at our free educational material: http://0s4.com/r/HRSTTW

David Hickson has been trading financial markets for over 20 years. He created Sentient Trader (http://sentienttrader.com), a software application which analyzes any financial market using the exact process presented by Hurst. David is South African and lives in Italy.

“We don’t see things as they are, we see things as we are.” – Anas Nin

By Chaig Haugaard

In the world of behavioral science, researchers have consistently demonstrated that human beings underperform lab animals in predicting what will come up next in a random sequence. In a study done a number of years ago a team of researchers ran a series of tests with flashing lights. The lights flashed in a random fashion but the green light flashed 80% of the time while the red light flashed 20% of the time. Knowing that one could easily see that the best strategy would be to always guess green and you would achieve an 80% accuracy rating on this test. In fact, when the test was conducted on lab animals the results achieved were almost exactly 80%. In this particular experiment rats, pigeons and humans were utilized as test subjects. If the rats and pigeons could correctly predict which color was going to come up in this random sequence they were rewarded with a bit of food. Once the experiment began it didn’t take the rats and pigeons long to figure out that if they just went with green on every guess they would be successful the vast majority of the time. Human test subjects, however, were not as skilled in selecting the correct color. In fact, even after being told that this was a random sequence the actions of the human test subjects indicated that they thought they were smart enough to unlock this mystery and accurately predict the upcoming event. The net result is that at the end of the day the lab animals were 80% correct in predicting the proper color in the sequence while the human test subjects checked in with a 68% success rate.

I have shared this story with countless farmers over the years as I have worked with them on their grain marketing and am convinced that this research has meaning for commodity speculators as well. While it is a humbling experience to get smoked by a bunch of rats it is also instructive that the rats rapidly picked up on a fairly straightforward pattern while we, the humans, over thought the situation and experienced a diminished result as a consequence of our brilliance.

When it comes to the world of speculating in the grain markets I believe that this research has some very direct applications. In the world of the grain there tends to be patterns that play out year after year. We typically see higher prices in the ”too” months. You know, the months when it is too wet, too dry, too cold, planted acres are too unknown. In other words we tend to see higher prices when there is a great deal of uncertainty in the market. This falls in the spring of the year when we don’t know how many acres are going to get planted, if the crop will experience production challenges because the spring is too cool, too wet or too dry. As the crop year moves along and these questions are answered we reduce uncertainty in the market and as a result tend to also reduce the risk premium that is built into the market to account for the uncertainty.

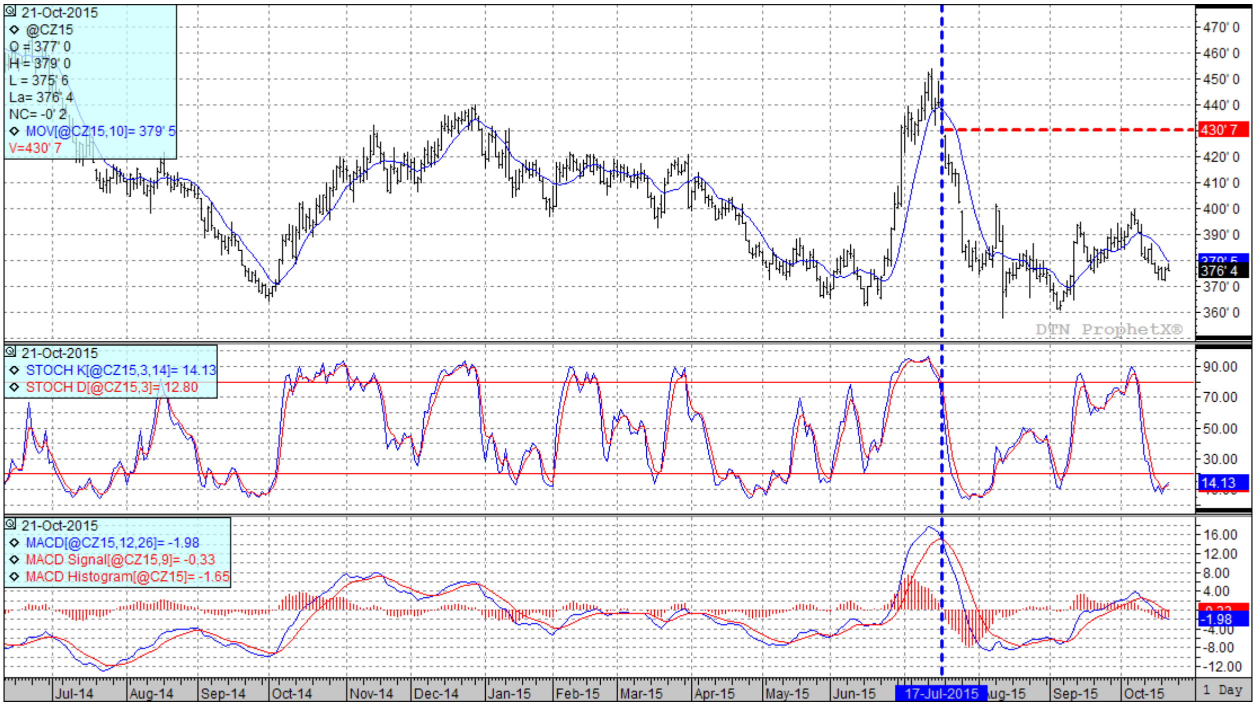
Perhaps no commodity typifies this pattern more than corn. To demonstrate this pattern the following graph shows the closing price of the December corn futures on May 1st of the crop year and then again on October 1st. In early May we still don't have an accurate count of the number of acres that have been planted and many of the crucial weather questions are yet to be answered. In mid-October those earlier questions have all been answered, the combines are rolling and the new crop corn is hitting the marketplace. As you can see on the following graph, most years the concerns that cause the risk premium to be built into the price structure in the spring have been shown to be unfounded and prices are trading lower. In years in which actual production problems have occurred the market has also acted accordingly and is trading higher.

Year	May 1st	Oct. 1st	Change
2000	$ 2.62	$ 1.99	**$ 0.63**
2001	$ 2.27	$ 2.11	**$ 0.16**
2002	$ 2.20	$ 2.57	**$ (0.37)**
2003	$ 2.33	$ 2.20	**$ 0.13**
2004	$ 3.20	$ 2.06	**$ 1.14**
2005	$ 2.27	$ 2.09	**$ 0.18**
2006	$ 2.72	$ 2.64	**$ 0.08**
2007	$ 3.78	$ 3.69	**$ 0.09**
2008	$ 6.31	$ 4.84	**$ 1.47**
2009	$ 4.33	$ 3.41	**$ 0.92**
2010	$ 3.90	$ 4.66	**$ (0.76)**
2011	$ 6.61	$ 5.93	**$ 0.68**
2012	$ 5.39	$ 7.57	**$ (2.18)**
2013	$ 5.51	$ 4.39	**$ 1.12**
2014	$ 5.00	$ 3.21	**$ 1.79**
2015	$ 3.80	$ 3.89	**$ (0.09)**

Starting with the year 2000 we have seen the December corn futures trade lower on October 1st than they were on May 1st an amazing 75% of the time and on average they have been $0.31/bu lower on October 1st than they were on May 1st. One can't help but look at that pattern, reflect on the afore mentioned lab animals versus human test subject results and conclude that perhaps there is a pattern here that we need to take advantage of. In other words, instead of over thinking this situation maybe we would be better off to just "pick green."

While the evidence is compelling that a seasonal pattern exists for corn one would be ill advised to blindly sell December corn futures on May 1st and then buy them back on October 1st. Rather, what has been proven effective is to use technical indicators to target an optimum time to enter this trade. For the sake of this article we will assume that the best selling opportunities for corn come in the March through July time period. In this time period we will answer the concerns over number of acres planted, planting conditions and weather challenges. It is on this time period we will focus in making our trades based on the combination of seasonal patterns and technical analysis.

To illustrate how this works in practice let's look at the December 2015 corn chart. The first thing that you will notice is that within the time frame that we designated as the time we wanted to short this market we had some good opportunities to sell at much better levels than where the market is currently trading. This was also a classic year from the standpoint that the uncertainty of the "too months" reared its ugly head and presented the opportunity we were looking for. In this case, the eastern Corn Belt was "too wet" and that resulted in the fear of a reduced crop which sent the market flying higher and presented us with this opportunity.



Using a combination of technical tools to tell us when to enter this seasonal trade has been an effective approach. As illustrated on the preceding chart I go with a ten day moving average, stochastics and the MACD. Sales are made when all three indicators are giving a sell signal and we are in the time frame that has been identified as an optimal seasonal period in which to be selling. The work has been done and it is time to pull the trigger.

To exit the positions I use the same set of indicators and exit the position when they tell me to. Although it may seem simplistic, for me the key to success has been to become more like a rat in search of an easy meal and less of an over analytical human being.

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The Ideal Moving Averages for Swing Trading

By Clif Droke

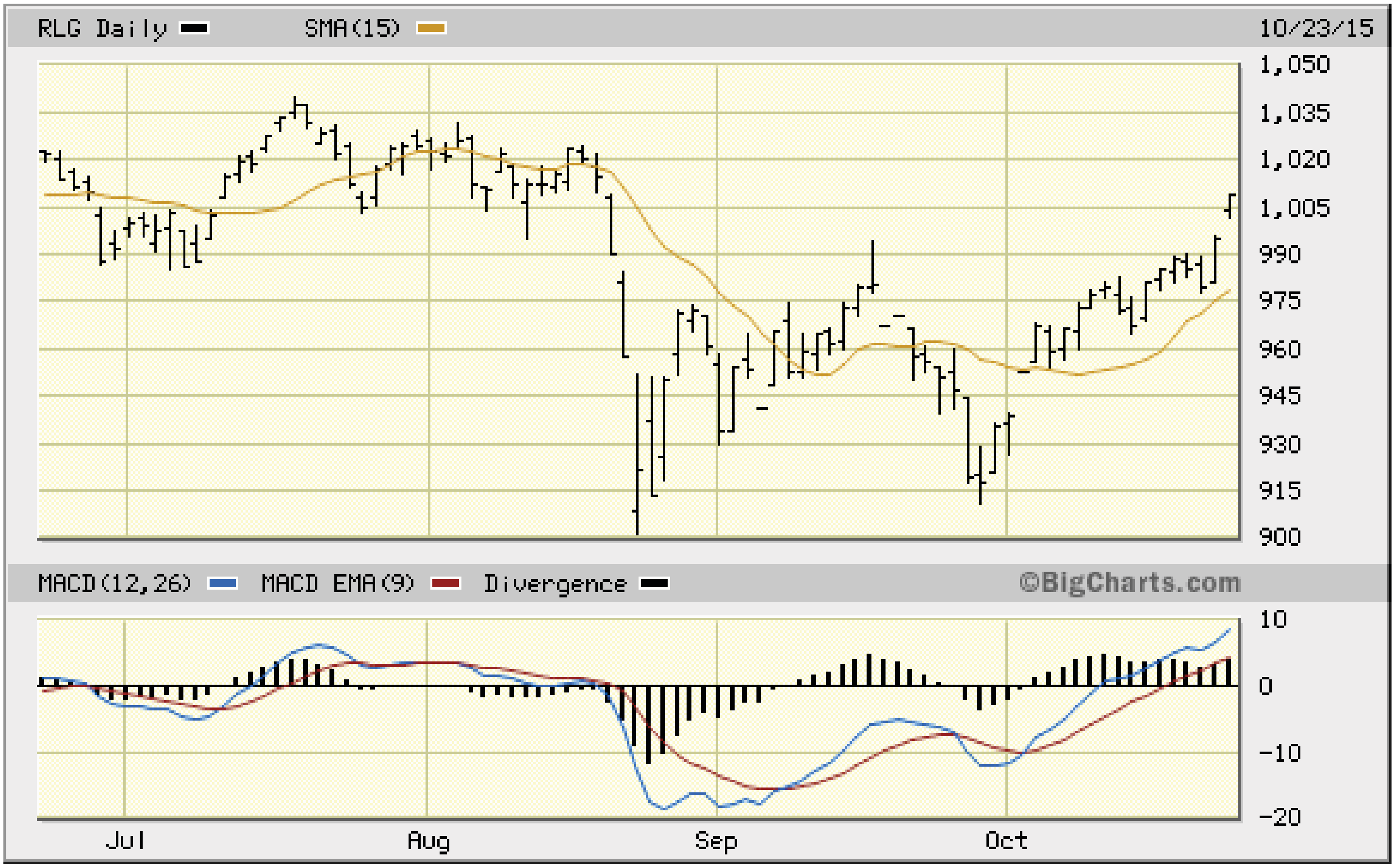
In my search for the ideal moving averages (MA) which most closely reflects the main market trend, many years ago I uncovered by process of elimination the two MAs which captured most of the important immediate-term moves in the S&P 500 Index (SPX).

The combo in question is the 5-day and 15-day simple moving average series. Since I define the "immediate-term" as 1-3 weeks in duration, it makes sense that the 5-day MA corresponds to exactly one trading week while the 15-day MA is equivalent to three weeks. Thus the entire immediate-term time frame is captured in these two simple moving averages.

What's more, when dealing with moving averages we're not just looking at simple trend lines which answer to the number of days in the moving average itself. For instance, a 5-day moving average isn't merely the equivalent of a 5-day market trend. Moving averages are by definition a lagging indicator, but they also represent half-cycles. A 5-day moving average is capturing not only a 2-week cycle in the stock or market index we're following, but it also reflects a 6-week cycle. Viewed from this perspective, the 5-day/15-day MA combo can be said to capture the spectrum of cycles from one week to six weeks.

In most cases swing traders should be focused solely on the 15-day moving average to the exclusion of the 5-day moving average in our stock market overview. The guidelines of this trading discipline tell us to wait for a 2-day higher close above the 15-day MA (which we recognize as the dominant immediate-term trend line) before considering purchasing a stock or ETF. (Other technical factors must be in place before entering a trade aside from a 2-day higher close above the 15-day MA, but for the purpose of this discussion we'll ignore them). In perhaps most instances the 5-day MA can be safely ignored since it's not of primary concern to the dominant market trend.

Following is a recent chart example of the 15-day MA buy signal. After the broad market decline in August 2015, the Russell 1000 Growth Index (RLG) confirmed an immediate-term bottom in September by closing two days higher above its 15-day moving average. After this RLG re-tested the August low but confirmed it by closing above it. From there the RLG rallied in October and ended up completely recovering its losses from the August selling panic.



Of course other factors were also at work in laying the groundwork for the October 2015 recovery. Most notably these factors included a diminution of new NYSE 52-week lows, which allowed the stock market's internal momentum profile to significantly improve. Also, the NYSE advance-decline (A-D) line led the major indices in rising above its August high. After a major stock market bottom, it's imperative that the A-D line show leadership over the major averages. This serves as another strong technical indication that a recovery is imminent.

Back to the moving averages. The time to pay attention to the 5-day MA is at both ends of a major move, viz., after the market has had a major decline and also after a major rally. Normally, whenever the SPX closes below its 5-day moving average after being in an uptrend it means the underlying 15-day MA is about to be tested. A break below the 5-day MA doesn't necessarily mean the market's uptrend is going to be reversed, but it does mean in most cases the immediate-term trend will be tested and perhaps temporarily halted. When the stock market as represented by the S&P 500 (SPX) has established a decisive upward trend backed by powerful internal momentum (as the SPX has for the last few months), any pullback which causes the SPX to close under the 5-day moving average tends to reinvigorate the uptrend. This happened in late December 2011, twice in January, once in February and once in early March 2012.

What happens when the market goes from its "normal" state – as it was in the first three months of 2012 – to something approaching a frenzied, overbought status? At that time the market was in the process of transitioning from "normal" to "overbought" and soon afterward provided the answer to that question.

Historically, what happens in cases like this is that as the SPX accelerates and becomes distended from the 15-day moving average (see chart below). Then the 5-day MA temporarily overtakes the 15-day MA and becomes the dominant trend immediate-term trend line. When one or more short-term cycles are peaking (as was happening in March 2012), the 5-day MA can act as a powerful motivator for the SPX and create a "blow-off" type move. This happened true to form in late March '12 (see the following chart exhibit).

After a major market low has been established, it's important to watch the 5-day moving average in conjunction with the 15-day MA. After a panic decline, such as the one that happened in August 2015, watch for the first 2-day close above the 5-day MA. Unlike the 15-day MA, the 2-day close above the 5-day MA doesn't have to be a higher close. In other words, as long as price closes two days in succession above the 5-day moving average that's all that matters.

The following chart example shows the Dow Jones Industrial Average (DJIA) in relation to its 5-day and 15-day MAs during the July-October 2015 period. Notice that almost immediately after the late August sell-off, the Dow closed two days in succession above the 5-day MA to confirm a preliminary bottom. Not long after this, the Dow confirmed the immediate-term bottom by closing two days higher above its 15-day MA.

A final consideration when using both moving averages is to watch for the 5-day MA to cross above the 15-day MA after the market low is in. In the above case, the Dow's 5-day MA crossed above the 15-day MA around the middle of September. This gave additional weight to the immediate-term bottom signal that was confirmed shortly thereafter. Anytime the 5-day MA crosses above the 15-day MA – especially if the market is technically "oversold" – a brief but sharp rally is likely to follow. This was the case in October 2015 after the 5-day MA crossed once again above the 15-day MA early that month.

Clif Droke is a recognized authority on moving averages, internal momentum and Kress Cycles, three valuable tools as applied to the equity market. He is the editor of the Momentum Strategies Report newsletter, published three times a week since 1997. He has also authored several books on trading and technical analysis, including his most recent one, Mastering Moving Averages. For more information visit www.clifdroke.com

My Story and the Truth About Time
PART 1
A TRUE STORY

By David Franklin

My success story is not unique. I am not the first individual to find a way to know the direction of stocks or the stock market. A great many have come before me. Here are a few of their names:
Jessie Livermore, W. D. Gann, E. H. Harriman, Augustus D. Julliard, Richard Ney, Bernard Baruch, Joseph P. Kennedy, Jim Simons, and Steven A. Cohen.
As I have, each of these men found their own individual way to know the direction of stocks or the market.

"I have found a mathematical way to know why and when certain stocks are at a Top or a Bottom." August 2014

David Franklin, Independent Market Researcher,
Author of **A SINE of the TIME** & Creator of
THE TIME SINE WAVE ANALYSIS©

But that is impossible, right? It is impossible to know when a stock is at a Top or Bottom! If you are thinking this same thought, history says you are in the company of nearly all stock & market analysts.

"The honest truth – all professionals, true professionals know that it's not possible. You may believe that it is but very few pros even care about direction anymore. It's all strategy now. Directional picks are a dead business …."
Tom Sosnoff, founder of Thinkorswim and Tastytrade.com., December 30, 2014

However, recorded history also speaks to the fact that those who issue statements of impossibility are often proven wrong in the future.

For example, remember when high speed trains, rockets leaving the Earth's atmosphere, heavier-than-air flying machines, horseless carriages, moving pictures, lightbulbs and wireless communications were said to be impossible?

If it is impossible to know in real time, when a stock is at a top or bottom, then such a feat cannot be performed at all, not even once, let alone multiple times in a row.
Then how can these Real Time BUY and SELL signals be explained?

10 JUNE - 05 AUG 2014

= BUY SIGNAL

03 JAN - 27 FEB 2014

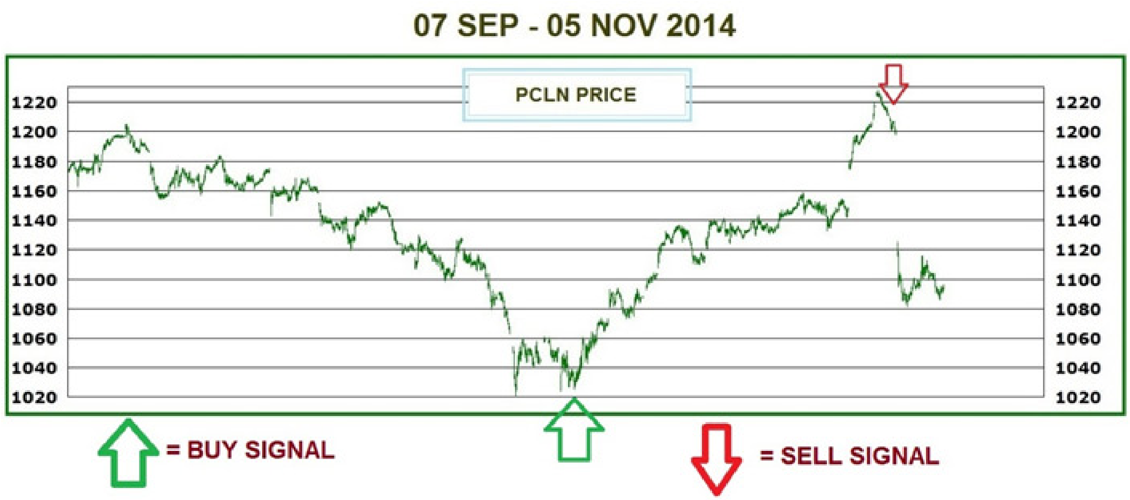
= SELL SIGNAL

29 APR - 19 JUN 2015

= SELL SIGNAL

18 DEC - 13 FEB 2015

= BUY SIGNALS



The author has dozens of charts with Real Time Sell and Buy signals generated by his TIME SINE WAVE ANALYSIS©, and can easily fill the next twenty pages or more with them. Additional Real Time examples are to be found in my latest book: **A SINE of the TIME,** available from Mr. Larry Jacobs, Publisher of Trader's World Magazine.

However, I imagine at this time the reader is thinking something like:

"Yeah, anyone can put stock price charts here and 'claim' to have known these indicated sell and buy signals in Real Time." Right?

EXCEPT………… for this researcher. You see, I deliberately removed the Time Sine Wave Analysis charts that are located directly *beneath* these price charts. AND, it is those unique, proprietary Real Time Charts that constitute the mathematical proof of the statement I made at the beginning of this article:

"I have found a mathematical way to know why and when certain stocks are at a Top or a Bottom." August 2014

PLUS, I have the Real Time data, minute by minute, generated for these stocks to prove beyond a shadow of a doubt the truth of my opening statement.

THE "IMPOSSIBLE" QUEST of 30 YEARS

The 'impossible' dream sought by the author was not accomplished overnight.

The following has been my personal quest for the past thirty plus years:

To determine whether the science of mathematics, combined with the science of physics and its Laws of Motion, could be utilized to come to a mathematical explanation for top and bottom prices in stocks and the market in Real Time.

If successful such a scientific method could render archaic and obsolete, such technical analysis tools as oscillators, moving averages, bands, P/E ratios, volume, volatility, stochastics, etc., as well as reduce or eliminate the use of complex trading straddles and strategies.

The results have proven the answer to be an unqualified "Yes".

TWO NATURAL LAWS

as CAUSE for Stock price movements

No. 1

THE TIME LAW

"Time must run down, not up!"

No. 2
THE LAW of TIME MOTION

"All Time motion begins at an Equilibrium, seeks a point of rest, and returns to a Time Equilibrium from when it began."

TIME, PHYSICS and THE LAWS of MOTION

At this time the author highly recommends readers familiarize themselves with the physical laws of motion as formulated by classical physics. Please view the three videos and read to comprehension, the ideas presented at:
https://en.wikipedia.org/wiki/Newton%27s_laws_of_motion#Newton.27s_first_law

TIME AND THE LAWS OF MOTION

Of the Three Laws of Motion cited above, the author has proven Dr. Russell's Law of Motion to be the correct one for Market **Time** calculations. Rephrased in terms of mathematical Time, it says the following:

"All Time motion begins at a 1:1 Equilibrium, seeks a point of Rest, and returns to the Equilibrium where it began."

A Definition of Equilibrium:

"A state in which opposing forces or influences are balanced."

Here are examples of beginning numerical equilibriums of Time:

15 to 15,10:10, 13:13, 7:7, and so forth.

Further, in order to get the correct mathematical ending for Time, there must be the correct mathematical beginning. This means that where mathematical Time begins, it ***must*** begin at a 1:1 Equilibrium. This fact is in perfect harmony with classical physics, which says:

"Every action (motion, force, vector etc.,) in one direction is opposed by an equal action in the opposite direction."

WHERE TIME VALUE IS FOUND and USED

Market Time Value is observed to be present in stock options. The professional and amateur market enthusiast understands the following fact: Call options with strikes ***beneath*** the stock price, and Put options with strikes ***above*** the stock price contain two values: Time and Distance (intrinsic).

In the interest of brevity, the author states the following fact based on decades of research via trial and error:

After applying the Laws of Time and Time Motion individually to these two unique values over many years of testing, only one was proven to meet the scientific standard of REPEATABILITY and RELIABILITY: **TIME Value**.

The following graphic is a representative example of where the author finds Stock **Time** value used in his calculations. By answering the question that follows, the reader will understand the basic method for calculating starting Equilibrium Time Values:

A TIME VALUE EXERCISE

FACTS:

1. Fictional stock XYZ's price = 55.00.
2. The XYZ 50 Call for June 2016 = 10.00 points.
3. The XYZ 60 Put for June 2016 = 10.00 points.

QUESTION:

Based on the fictional facts stated above, how much Time value is in the Call option, and how much is in the Put option?

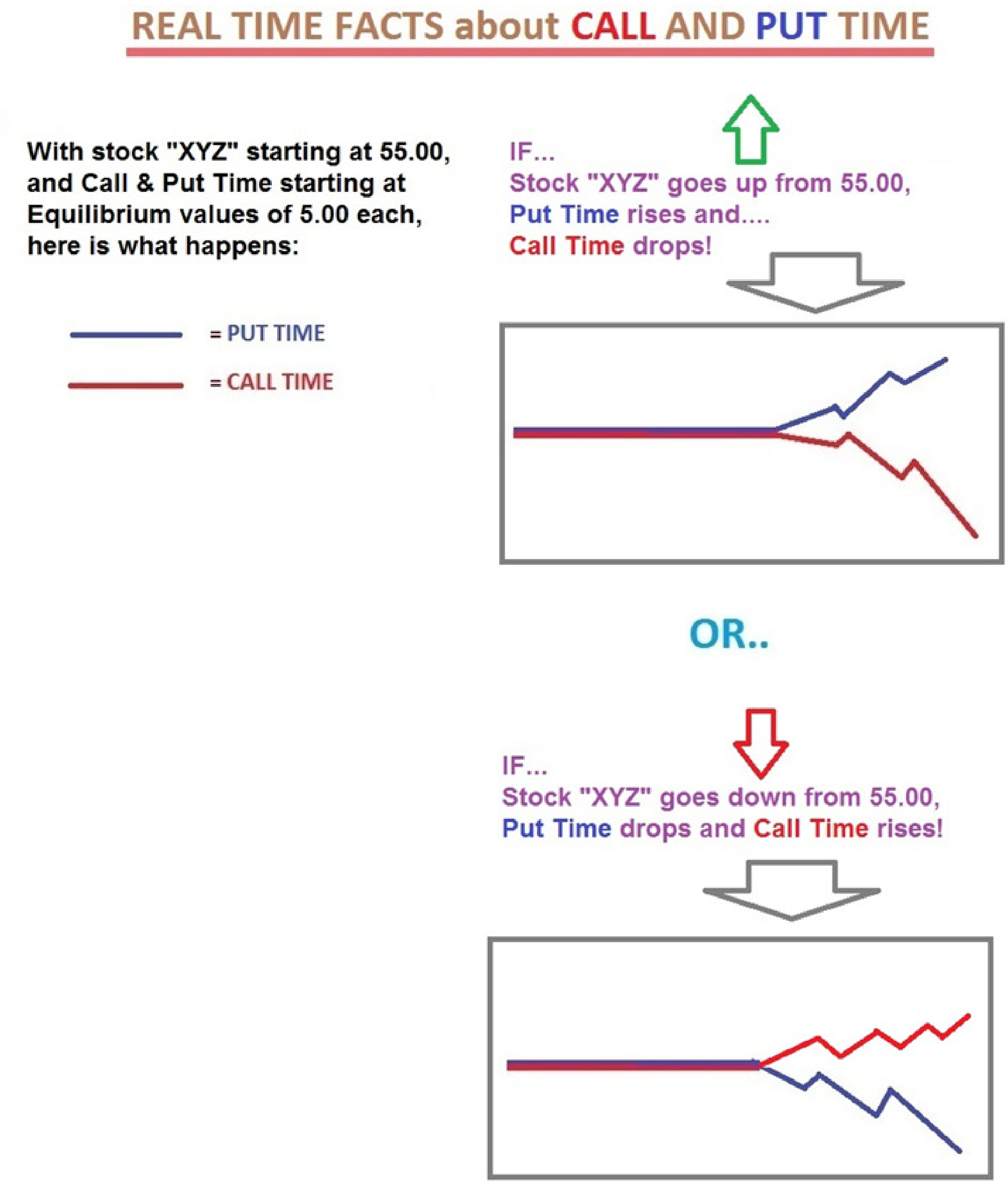
In the example above, you found there to be 5 points of **CALL** Time in the **CALL**, and 5 points of **PUT** Time in the **PUT**. By charting the above Equilibrium Time values forward in time, the reader will come to understand:

A. How the movement of these two Time values affect the movement of XYZ stock's price, and

B. Fore tell stock price direction per **The Law of Time Motion** and **The Time Law**.

DETERMINING PRICE DIRECTION with THE LAW of TIME MOTION

Starting at the correct beginning for an individual Time Cycle, here is what Real Time data reveals:



SO WHAT?

Well, there **is** a very big "SO WHAT?" about the above Time value facts:

These facts graphed in Real Time inform the author as to **when** and **in which direction** the stock must move!

This is accomplished by beginning **CALL** and **PUT** Time value at **Constant** Equilibrium Time Values ***at*** the true starting point. When graphically displayed together in Real Time, **The Time Law** and **The Time Law of Motion** informs the author when and in which direction the stock ***must*** move!

Rephrasing **The Time Law of Motion** while retaining its mathematical expression, it becomes:

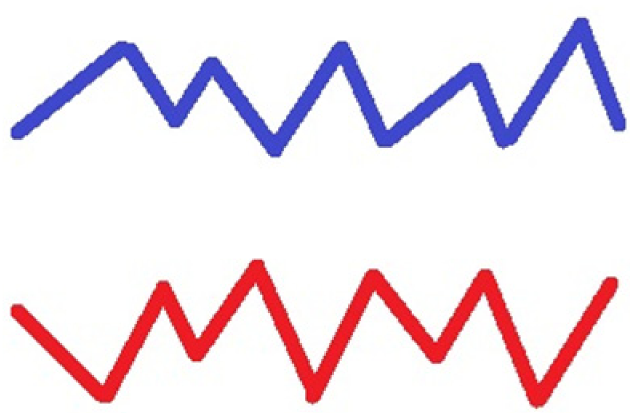
"All Time motion begins at a mathematical 1:1 Equilibrium, seeks a point of Rest, and *must* go back to a *mathematical* Equilibrium where it began."

THEREFORE, with **CALL** and **PUT** Time value beginning here  (5 to 5, 7 to 7, 13 to 13 etc.) and going to:

it ***must*** go back to here:  ::**a 1:1 CALL** – **PUT** Time Equilibrium value **by Expiration Day**, per **The Law of Time Motion**.

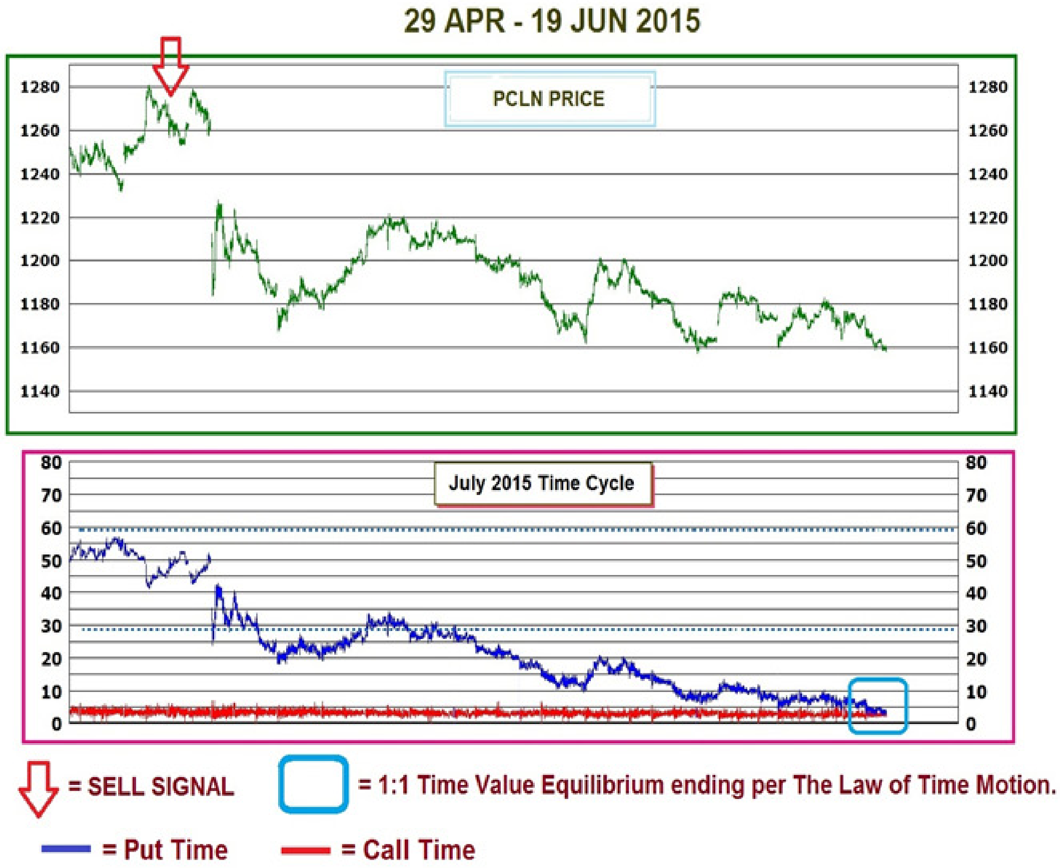
MAJOR TIME TRUTH No. 1

When **PUT** and **Call** Time Chart in an expiring Time Cycle chart looks like this:



the author knows the stock price ***must*** go down to get **CALL** and **PUT** Time to a **1:1 CALL** – **PUT** Time Equilibrium value **by Expiration Day**, per **The Law of Time Motion**.

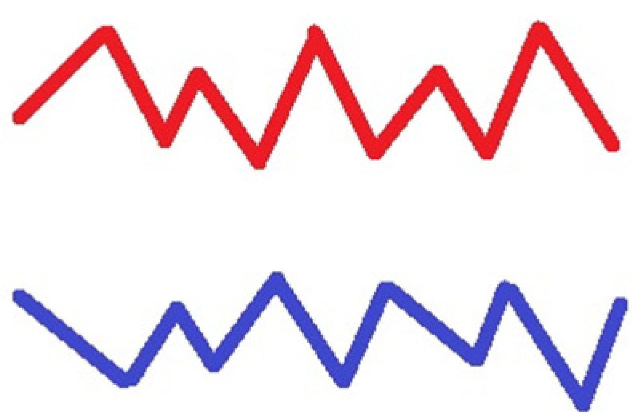
Real Time example and proof:



Please note the fact that the July Time Cycle above was expiring in less than 30 days.

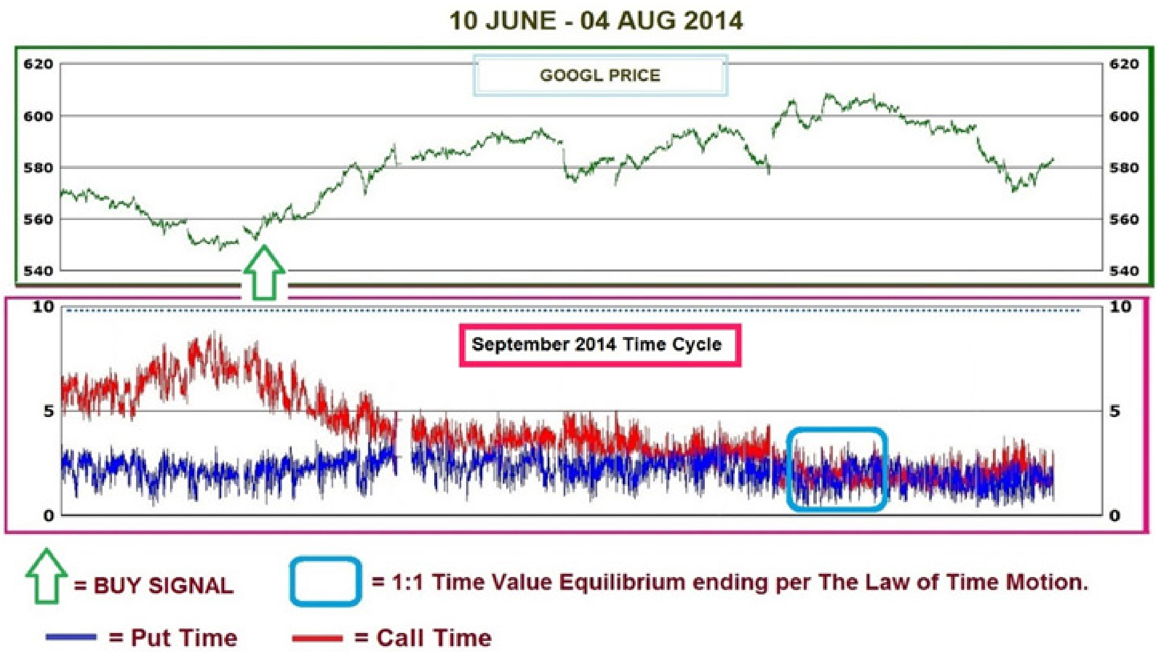
MAJOR TIME TRUTH No. 2

When **PUT** and **Call** Time Chart in an expiring Time Cycle chart looks like this:



the author knows the stock price ***must*** go up to arrive at a **1:1 CALL** – **PUT** Time Equilibrium value **by Expiration Day**, per **The Law of Time Motion**.

Real Time example and proof:



Please note the fact that the September Time Cycle above was expiring in less than 40 days. To confirm the Time truths revealed in the two graphic illustrations above please review the section herein titled:

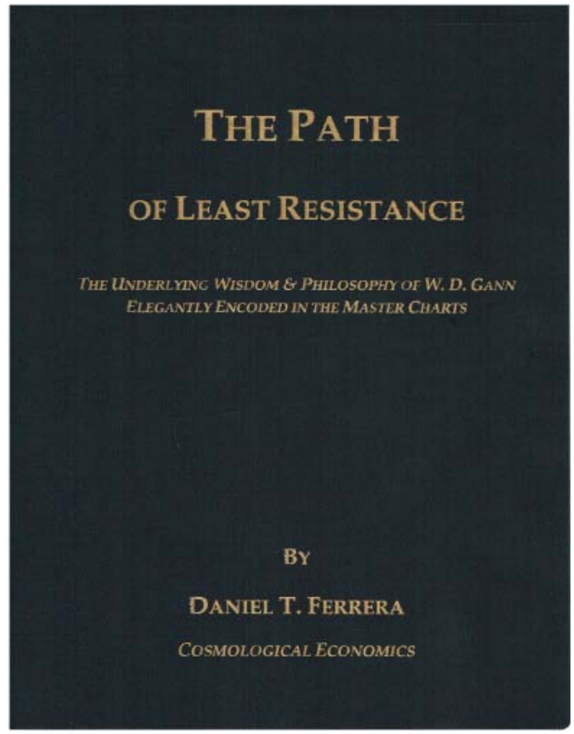
"REAL TIME FACTS about CALL AND PUT TIME"

In **PART 2** to follow, I will be illustrating and explaining with text and Real Time Charts, the following:

All stocks with options have only three True Time Cycles.
How these three True Time Cycles interplay with the mathematics of **The Time Law** and **The Law of Time Motion** to cause stock prices to go up and down.

Review of The Path of Least Resistance by Daniel T. Ferrera

By Larry Jacobs



If you have studied W.D. Gann throughout his many books, you probably know that it is quite difficult to understand and often does not seem to work as anticipated. The problem is that Gann often gave only vague hints and superficial details about his deeper tools in his public courses, leaving his students to figure out his ideas by themselves.

However, it has been discovered in private letters to students that Gann sometimes did provide deeper explanations, and often required those students to sign a NDA for him to reveal these points. This combined with an exhaustive study of the full range of Gann's work, give the only entry to some of Gann's deepest techniques. Ferrera's new course, begins with such private material, and follows Gann's more secretive clues through the entire corpus of his work, leading to some quite fascinating conclusions.

Part of this relates to a famous quote of Gann's that many have wondered about but never understood: "We use the square of odd and even numbers to get not only the proof of market movements, but the cause." This is one of Gann's most mysterious references, and for the first time, Ferrera's new course provides some interesting insight into this mystery, showing the workings of some Gann tools that have long been obscure.

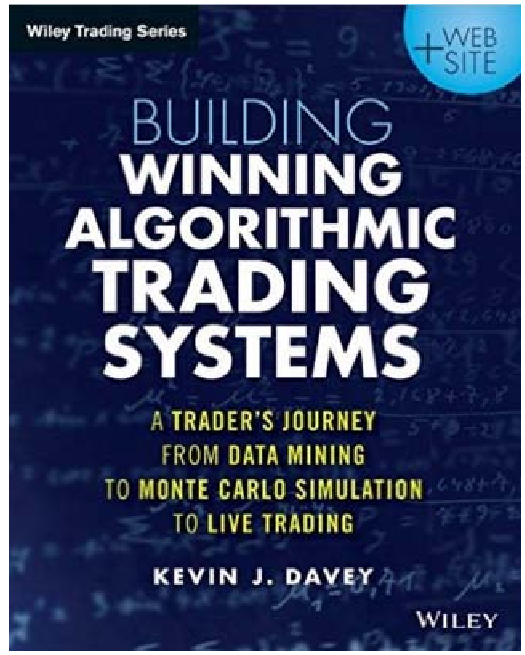
The value of these insights is that they lead to a deeper access into Gann's knowledge, interconnecting what were before disconnected tools into an integrated network of cross-conformational tools. These integrated tools provide insights into trade setups and generate important signals that would have before been missed without this added information.

We recommend this course as presenting a new level of insight into little understood frameworks of Gann analysis. It is deep and comprehensive presenting a sort of advanced textbook on Gann analysis. Thought advanced, it begins with first principles, and leads even a new reader into a deep appreciation of the subject.

The books has 300 pages of explanatory text and 150 charts and diagrams, with another 190 pages of rare supplementary material.

So if you are a serious Gann student, you might consider investing in Ferrera's new book, The Path of Least Resistance". It will surely be a good investment.

Review - Building Winning Algorithmic Trading Systems by Kevin J. Davey



Larry Jacobs

Do you want to build your own trading system with useful guidance and with professional advice?

Then you might want to take a look at Kevin Davey's new book, "Building Winning Algorithmic Trading Systems."

Kevin shares his methods of developing trading systems. His systems have generated big returns for him. He explains how to do it and demonstrates it through an explicit step-by-step process of getting an idea and then confirming the idea. He teaches you how to setup your entry and exit points. He also goes through testing the systems and the rules. Sometimes he says you might want to abandon the idea completely.

Kevin's website is also available and even includes his very own Monte Carlo simulator and many other tools so you can then fully automate and then test your own ideas for trading.

When you get a trading system you may have noticed sometimes it stop working in the long run. Today many traders are opting to go the way of algorithmic trading systems. These systems actually do account for the bulk of the trading volume in the markets.

This book teaches you finally how to develop your own trading system and how to implement it.

It worked for Kevin as he got triple digit returns in the World Cup Trading Championship® and it just might work for you too. You can develop an idea using Kevin's algorithmic approach using current trading software like TradeStation or NinjaTrader.

The market is constantly changing and system results do also change. By developing your own trading system it can be tweaked from time to time in an evolving market.

Building Algorithmic Trading Systems might be the perfect book for you to provide you with the right guidance and advice.

Kevin Davey is rather unique and he clearly understands systems and the markets. Very few people have this gift.

Not many trading books today are written by people who actually make their living trading. Kevin is a real trader and has put together this information in an easy to read format.

So if you are interested in developing your own trading system and want to understand what is really involved in system development, I would highly recommend this book.

Why Traders Should Never Deal with Data Lag Again

By Eddie Z

A few weeks back Jim, a newer client, called in panicked. He was super frustrated that he had just upgraded his trading computer to a new model and now had a horrible case of data lag. He wasn't able to trade at all at this point. He was upset. Wouldn't you be? If you've been in a situation like this before, you know what this does to a perfectly good day – takes it down a notch or two. Traders shouldn't have to deal with data lag. In fact, I'm on a mission to call data lag extinct. Really, it shouldn't happen.

Jim and I walked through some steps to troubleshooting his issue. "Jim – look, I don't want to overlook anything in solving this quickly for you. How's your internet speed?" I asked him. He assured me his connection was high speed. "Do me a favor, let's test it really quick to we can mark it off our list of possible sources." Much to his surprise, the results were not good. In fact, his speeds were yo-yoing up and down to the point that every few minutes he pretty much had no connection at all. He was surprised. "I just assumed because my computer was working one minute and not the next that something was up with the hardware," Jim responded.

We have all done this. We assume the problem is a big issue and overlook the small stuff. Granted, sometimes it's a bigger issue. This wasn't the case for Jim. He was panicked, couldn't trade and immediately started thinking his whole setup was broken. Even a small kink in the chain can cause issues that cost us time and money.

That's why there is so much value in knowing a few simple tips and tricks to solve computer issues as they come at us. Because they will. We can't circumvent that – as much as we would like to.

If you ever come up against a data lag issue yourself, here is what you need to know:

1. What's The Most Common Causes Of Data Lag?

Underpowered Processors

If you have an EZ Trading Computer, I assure you all of our machines can process real time data. However, lots of traders have older machines. This might be the source of your issue. Computer hardware has a shelf life of five years before it becomes so outdated that it is unable to keep up with advances in software and data speeds – especially for traders. Even computers you could go buy right now off the shelf at your local store, with i3 or i5 processors, aren't going to get the job done for you.

Internet Speed

We often make the mistake of taking our internet speeds for face value. We check a box with our internet provider saying we want a certain speed, and assume that is what is being delivered to us at all times. This most often just isn't the case. If you live in a neighborhood or area that has lots of users on your provider's lines, it's likely that your connection might ebb and flow depending on how many other users are logged on. Be persistent with contacting your internet provider if you are experiencing less than ideal internet speeds.

2. Why You Should Think About Upgrading Your Set Up

Upgrading Your Trading Computer

Ideally, your current computer should have a lifespan of 4-5 years. This is the easiest metric for you to use to know if you should upgrade. If your computer is from 2010-2011, you should consider upgrading. The primary reason for this is that older technology can't compete against newer processors. Newer software has a much greater demand on your computer then it did 4 years ago. When it comes to technology, everything evolves together – processors, complexity of data, software, etc. Consider this: An Intel processor from 2015 is 191% faster than an Intel processor from five years ago.

Get The Fastest Connection Possible

We all want to spend one dollar and get two back. The point is you have to spend money to get access to the return on your investment. Paying for a high speed internet connection is one area that you should spend money. Don't skimp here and select mid-tier speeds. In fact, get the highest speeds possible. As a trader myself, I have never once regretted paying my monthly internet bill. My internet connection is crucial to my ability to trade successfully.

3. Tests You Should Be Performing On Your Computer

Testing Your Processor

I can't say enough about benchmarking your processor. This score allows you to view the processors performance abilities and compare this score to other processors. At EZ Trading Computers, we say that a minimum processor benchmark score for traders is 7500. I prefer a score more towards 10,000 (In fact, all of EZ Trading Computers installed processors score above 10,000). This allows some extra head room for you to grow with the machine over the next few years. I recommend using cpubenchmark.net. Punch in the model of your current processor and compare that to the processor in the computer you would like to purchase.

Testing Your Internet Speeds

Data lag should be a thing of the past. This means that you will have to keep your Internet provider in check. You can quickly and easily test your internet speed at speedtest.net. This is the exact tool that I used to help troubleshoot my client Jim's computer problem.

If you experience data lag, you should:

Always make sure you are getting the internet speeds you are paying for from your provider.

PAY for the highest speed Internet speeds available to you.

Never trade on an underpowered computer – it's definitely a gamble.

Run the tests listed above, and if you find out your machine is underpowered – upgrade. NOW. I guarantee it will be worth the investment.

Don't put off installing any security upgrades, software upgrades, virus protection, and maintenance in general. It's super important.

Get your Free Guide to Trading Computers Here.

How To Buy A Trading Computer Free Guide

Dear Trader,

70% of traders fail to make as much money as they should because for one reason: trading on old, outdated computers and operating systems.

Even if your trading computer is just 2 years old, you are creating a tiny lag in your market data, and the high tech, high frequency traders are eating your lunch!

Most traders don't realize that in order to be successful you NEED to have the best possible tools and this starts with your Trading Computer.

My name is Eddie Z and I have been trading the markets electronically and building trading workstations for over 20 years.

I've come to learn what trading technology works the best and what doesn't.

Let me warn you ahead of time: there are companies out there charging an arm and a leg for trading technology and taking advantage of your lack of knowledge.

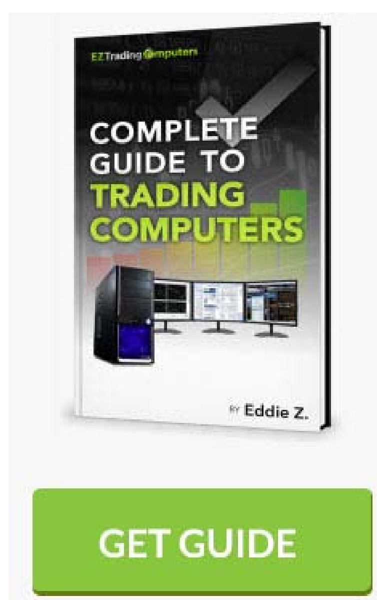
My recommendation is to educate yourself so that you don't get taken to cleaners.

To help you I have created
25-page buyer's guide entitled "How to Buy a Trading Computer".

a FREE Video Series on trading computers

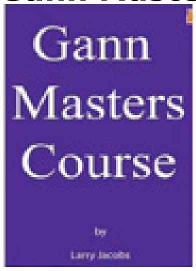
Get the Buyer's Guide for Free here
In the free guide, you will learn:
7 Biggest Mistakes Traders Make with regard to Trading Technology
Everything you need to know about buying an awesome system without getting ripped off.
Get the Buyer's Guide for Free here

Thanks & Enjoy the free guide...
Eddie Z, COO of EZ Trading Computers
24 Year Trading Veteran & Computer Nerd



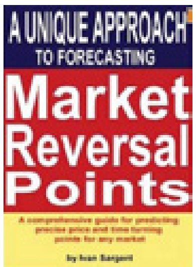
Amazon Kindle Books

Gann Masters Course by Larry Jacobs $9.95



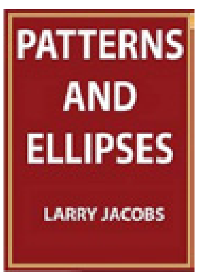
As you know, W.D. Gann was a legendary trader. Some say he amassed a fortune in the the markets. He wrote several important books on trading as well as a commodity trading course and a stock market trading course. He charged $3000 to $5000 for the trading courses which included 6 months of personal instruction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

A Unique Approach to Forecasting by Ivan Sargent $32.95



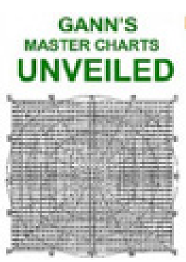
This book is possibly one of most advanced books in technical analysis you will read regarding price and time reversals. Knowing the Price and time of a stocks reversal point is undeniably an important element for to successful trading. Unlike most trading books which use indicators, oscillators, and 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



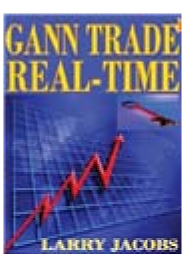
This book concerns itself with a highly technical subject, the subject of technical analysis of the financial market. This book specifically deals with ellipses and pattern formations used for trading the markets. It also covers many other technical analysis tools that can be used effectively by the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

Gann's Master Charts Unveiled by Larry Jacobs $9.99

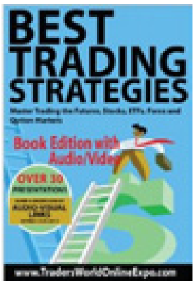


We know that Gann used the Pythagorean Square because he was found carrying it with him into the trading pit all the time. This square was hidden in the palm of his hand. How did he use this square? Why did he not discuss the use of this square in his courses? There is only one page covering the Square 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 strategies to become successful at this endeavor.



Best Trading Strategies: Master Trading the Futures, Stocks, ETFs, Forex and Option Markets $3.99

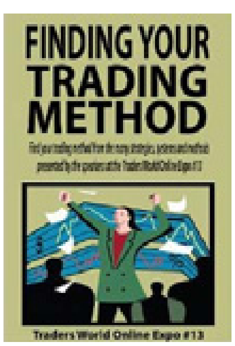
This is one of the most fascinating books that was ever written about trading because it is written by over thirty expert traders. These traders have many years of experience and they have learned how to turn technical analysis into profits in the markets. This is extremely difficult to do and if you have ever tried to trade the markets with technical analysis you would know what I mean. These writers have some of the best trading strategies they use and have the conviction and the discipline to act assertively and pull the buy or sell trigger regardless of pressures they have against them. They have presented these strategies at the Traders World Online Expo #14 in video presentations and in this book.

What sets these traders apart from other traders? Many think that beating the markets has something to do with discovering and using some secret formula. The traders in this book have the right attitude and many employ a combination of fundamental analysis, technical analysis principles and formulas in their best trading strategies.

Trading is one of the best ways to make a lot of money in the world if one does it right. One needs to find successful trading strategies and implement them in their own trading method. The purpose of this book is to present to you the best trading strategies of these traders so that you might be able to select those that fit you best and then implement them into your own trading.

I wish to express my appreciation to all the writers in this book who made the book possible. They have spent many hours of their time and hard work in writing their section of the book and the putting together their video presentation for the online expo.

Finding Your Trading Method $3.99



Finding your trading method is the main problem you need to solve if you want to become a successful trader. You may be asking yourself, can I find my own trading method that will reflect my own personality toward trading? For example, do you have the patience to sit in front of a computer and trade all day? Do you prefer to swing trade from 3-5 days or do you like to hold positions for weeks and even months? Every trader is different. You need to find your own trading method.

Finding out your trading method is extremely important to produce a profitable benchmark that can be replicated in your live account. Perhaps the best way to find a successful trading method is to listen to many expert traders to understand what they have done to be successful. The best way to do that is to listen to the Traders World Online Expos presentations. This book duplicates what these experts have said in their presentations, which explains what they have done to find their own trading method.

If you have a trading method that gives you a predictable profit, then that type of objectivity contributes to your trading edge. The problem with most traders is that being inconsistent will never allow them to have an edge. After you find your trading method that you feel comfortable with, you must have the following:

An overall plan to:
1) Set your rule set and plan and then stick with it in all of your trading.
2) To give you a trading plan for every day.

The trade plan then should:
1) Have an exact entry price
2) Have a stop price
3) Have a way to add positions
4) Tell you where to take profits
5) Have a way to protect your profits

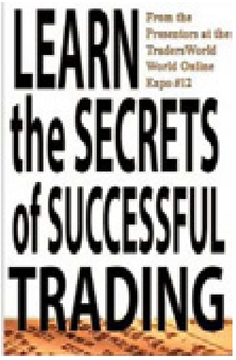
By reviewing all the methods given in this book by the expert traders, it will give, you the preliminary steps that you need to find your footing in finding your own trading method.

Reading this book and by seeing the actual recorded presentations on the Traders World Online Expo site can act as a reference tool for selecting your method of trading, investment strategies and tactics.

It took many of these expert traders in this book 15 – 30 years to finally come up and find the answers to find their trading method to make consistent profit. Finding your trading method could be then much easier when you read this book and incorporate the techniques that best fit your personality and style from these traders. This book will enable you to that fastest way to do that.

So if you want help to find your own trading method to be successful in the markets then buy and read this book.

Learn the Secrets of Successful Trading $3.99
Learn specific trading strategies to improve your trading, learn trading ideas and tactics to be more profitable, better optimize your trading system, find the fatal flaws in your trading, understand and use Elliott Wave to strengthen your trading, position using correct sizing to trade more profitable, understand Mercury cycles in trading the S&P, get consistently profitable trade setups, reduce risk and increase profits using volume, detect and trade

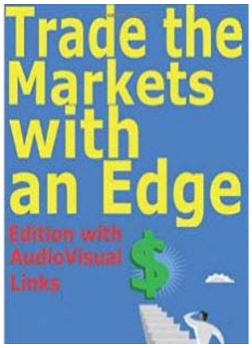


the hidden market cycles, short term trading by taking the money and running, develop your mind for trading, overcoming Fear in Trading, trade with the smart money following volume, understand and use the Ultimate Oscillator, use high power trading with geometry, get better entries, understand the three legs to trading, use technical analysis with NinjaTrader 7, use a breakout system with cycles for greater returns with less risk, use TurnSignal for better entries and exits, trade with an edge, use options profitably, learn to trade online, map supply and demand on charts, quantify and execute portfolio rotation for auto trading.

Written by Many Expert Traders

The book was written by a large group of 35 expert traders, with high qualifications, most of who trade professionally and/or offer trading services and expensive courses to their clients. Some of them charge thousands of dollars per day for personal trading! These expert traders give generally 45-minute presentations covering the same topics given in this book at the Traders World Online Expo #12. By combining their talents in this book, they introduce a new dimension to finding a profitable trading edge in the market. You can use ideas and techniques of this group of experts to leverage your ability to find an edge to successfully trade. Using a group of experts in this manner to insure your trading success is unprecedented.

You'll never find a book like this anywhere! This unique trading book will help you uncover the underlying reasons for your lack of consistency in trading and will help you overcome poor habits that cost you money in trading. It will help you to expose the myths of the market one by one teaching you the right way to trade and to understand the realities of risk and to be comfortable with trading with market. The book is priceless!
Parallels to the Traders World Online Expo 12



Trade the Markets with and Edge $3.99

This is an important book discussing the use of different strategies methods about trading.

It was written by over 30 expert traders. The book was designed to help you develop your own trading edge in the markets to put you above others who don't have an edge and just trade by the seat of their pants. 90% of traders actually lose in the markets and the main reason is simply that they don't have an edge.

All of the writers in this book are very experienced and knowledgeable of different ways. Each of them has their own expertise in trading the markets. What sets these traders apart from other traders? Many think that beating the markets has something to do with discovering and using some secret formula.

The traders in this book have the right attitude and many employ a combination of fundamental analysis, technical analysis principles and formulas in their best trading strategies. This gives them a trading edge over other traders. If you want to be successful at trading, you too must have your edge. One needs to find successful trading strategies and implement them in their own trading method.

The purpose of this book is to present to you the best trading strategies of these traders so that you might be able to select those that fit you best and then implement them into your own trading style. I wish to express my appreciation to all the writers in this book who made the book possible. They have spent many hours of their time and hard work in writing their section of the book and the putting together their video presentation for the online expo.

Guide to Successful Online Trading - Secrets from the Pros $3.99

This is one of the finest trading books you'll ever see about trading. The reason is that it comes from a group of expert pro traders with multiple years of experience.

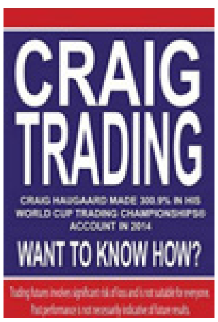
Trading as you know is extremely difficult. It is estimated that 90% of traders lose money in the markets. To help you overcome this statistic, the pro traders in this book give you their ideas on trading with some of the best trading methods ever developed through their long time experience. By reading about these trading methods and implementing them in the markets you will then have a chance to then join the ranks of the 10% of the successful traders.

The traders in this book have through experience the right attitude and employ a combination of technical analysis principles and strategies to be successful. You can develop these also.

Trading is one of the best ways to make money. Apply the trading methods in this book and treat it as a business. The purpose of this book is to help you be successful in trading.

From this book you will get all the strategies, Indicators and trading methods that you need to make big profits in the markets.

This book gives you:
1) Audio/Visual Links to presentations from pro traders
2) The best strategies that the professional traders are using now
3) The broad perspective you need in today's difficult markets
4) The Exact tools that you need to make profitable trading decisions
5) The finest trading education



CRAIG TRADING: Craig Haugaard made 300.9% in his World Cup Trading Championships® Account in 2014 - Want to Know How? $3.99 This book contains an interview that I made with Craig Haugaard, third-place finisher in the 2014 World Cup Championship of Futures Trading® with a 300.9% net profit. I asked him many questions on exactly how he did it.
In the rest of the book I explain to you how to use the indicators that Craig used to make his 300.9% return.
Here are the indicators that he used:

- Seasonality
- MACD
- Stochastics
- Moving Averages
- Trailing Stops
- Fibonacci Retracements & Extensions

All of the charts in this book are produced using my favorite charting software Market-Analyst®. I have also arranged for you to get a FREE trial so that you might have the chance to actually work with these indicators with a real charting platform.
You will also be able to view the video presentations that I personally created so you can see how these indicators can be setup and followed with clear and concise step-by-step instructions. After you understand how these indicators work, I would then recommend that you go to WorldCupAdvisor.com and consider following Craig Haugaard's real-time trades.

This one-of-a-kind book teaches you how to identify the direction of the markets and trade the markets by using popular trading indicators. This is done by concise instructions backed by learning videos, hands on practice with real trading software and by following real-time trades of a master trader.

Mastering Your Trading: Learn from Expert Trading Advisors
"Mastering Your Trading" is the perfect source for learning various methods of trading the market from expert advisers. $3.99

This book focuses on various methods of trading developed by many top trading advisors. There are 17 well written articles and it is packed by insight that can benefit the beginning to the expert trader. This is a must read. The trading methods and strategies presented in this book can help to succeed in today's volatile market environment. From preparing your psychology to the demands of timing the market and managing the risk, this book tells it all.
The book provides you the tools that are necessary for making the right trades and when to get in and out of the market. The book covers:

- Price and Volume the only True Indicators
- Uncovering Market Secrets
- How to handle capital exposure
- Secrets of Safe Profitable Day Trading
- Using Social Media Sentiment Cycles
- How to Dramatically Improve Your Trading Psychology
- How to Handle Trading Losses
- Using a Market Scanner to Save Time
- How to Stop Guessing
- How to Get the Right Trading Computer
- Simple and Practical Trading Tips
- And much more…

This book is an enhanced Edition which means that the articles are backed with audio visual presentation links. Most of the presentations are in HD quality and are put together by the writers of the articles in the book and really help the learning process.

Successful trading is based on knowledge and having the right psychology to trade the markets. This book will lift your trading to a much higher level and will save you an enormous amount to time.