DCAST CAPITAL ADVANCE PATTERNS RULES OF ENGAGEMENT (R.O.E)

ABCD Pattern:

- Tools
  - Fibonacci Retracements: Primary used 61.8%.
  - Fibonacci Extensions: Primary used 127.2% & 161.8%.
- Timeframes
  - The ABCD Pattern was designed as a day / swing trading strategy. It can be identified on any timeframe and can be seen in formation of other advanced patterns.
- Tactics
  - The tactics for the ABCD Pattern are very similar to other well known advanced patterns. We seek to identify 3 market moves and 2 major Fibonacci zones. The combination of these moves forms the 4 points (A,B,C,D) that fulfill the pattern.

Rules of Engagement: Criteria 1

The ABCD Pattern begins with a market movement / impulse leg that establish our A and B points.

Once the A and B points have been identified, we then look for our first criteria.

Criteria 1: The market forms the (C) completion point by fulfilling <u>at least</u> a **61.8% retracement of the AB leg.**

> **Note:** The BC move remains valid as long as there is **<u>at least</u>** a 61.8% retracement of AB and there **<u>is not</u>** a candle close beyond the 78.6% retracement of AB.

Note: The C completion point (candle wick) can extend beyond the 61.8% retracement of AB as long as the candle does not close beyond the 78.6% retracement of AB.

Rules of Engagement: Criteria 2

If criteria 1 has been met, then look for criteria 2.

Criteria 2: The market forms the (D) completion point by fulfilling <u>at least</u> a one to one harmonic move of the AB leg coming in at a **127.2% extension of AB.** For ratio confluence confirmation a measurement of the BC may be taken and the extension should come in at around a 138.2% to a 161.8%.

Note: The D point remains valid as long as there is at least a 127.2% extension of AB there is not a candle close beyond the 161.8% of AB.

Note: In a valid CD move, there must be at least a 127.2%. Failure to achieve a 127.2% invalidates the pattern.

Trade management: Entry, Stops, & Targets

<u>Simple Rules</u>

Entry: Limit order placed at the D completion point (127.2% of AB).

Stop Placement: 10 pips +/- 161.8% extension of AB.

   If long entry, stop goes 10 pips below the 161.8% extension of AB.

   If short entry, stop goes 10 pips above the 161.8% extension of AB.

Target 1: 38.2% retracement of AD move. When attained, move stops to breakeven.

Target 2: 61.8% retracement of AD move. When attained, trail stop to structure +/- 10 pips.

Gartley Pattern:

- **Tools**
  - Fibonacci Retracements: Primary used (61.8% & 78.6%)
  - Fibonacci Extension: (127.2%)
- **Timeframes**
  - The Gartley Pattern was designed as a swing / position trading strategy. It was originally discovered by H.M Gartley in 1935. This pattern can be identified on virtually any timeframe.
- **Tactics**
  - The tactics for the Gartley Pattern are very similar to other well known advanced patterns like the Bat or Butterfly. With the Gartley Pattern we seek to identify 4 market moves and 3 major Fibonacci zones. The combination of these moves forms the points (X,A,B,C,D) that fulfill the pattern.

Rules of Engagement: Criteria 1

The Gartley Pattern begins with a market movement / impulse leg that establishes our X and A points.

Once the X and A points have been identified, we then look for our first criteria.

Criteria 1: The market forms the (B) completion point by fulfilling at least a **61.8% retracement of the XA leg.**

Note: The AB move remains valid as long as there is **at least** a 61.8% retracement of XA and that it **does not** touch or come close to the 78.6% retracement of XA.

Note: The B completion point (candle wick) can extend and close beyond the 61.8% retracement of XA as long as the candle does not touch or close beyond the 78.6 retracement of XA.

Rules of Engagement: Criteria 2

If criteria 1 has been meet, then look for criteria 2.

Criteria 2: The market forms the (C) completion point by fulfilling <u>at least</u> a **61.8% retracement of the AB leg.**

> **Note:** The C point remains valid as long as there is **at least** a 61.8% retracement of AB and there **is not** a candle close at or beyond the 78.6% retracement of AB.

> **Note:** In a valid BC move, there must be a candle close beyond the 61.8% value. Failure to achieve a candle close beyond the 61.8% invalidates the move (this would be considered a Fibonacci failure which has no relevance to this pattern).

Rules of Engagement: Criteria 3

If criteria 1 and 2 have been met, then look for criteria 3.

Criteria 3: The market forms the (D) completion (entry point) by fulfilling a **127.2% extension of AB.**

Note: In a valid CD move, the 78.6 retracement of XA (D completion point) shows ratio confluence with the 127.2% of AB. The D completion point cannot extend past X, this invalidates the pattern.

Trade Management: Entry, Stops, & Targets

<u>**Simple Rules**</u>

Entry: Limit order placed at D completion point (127.2% of AB).

Stop Placement: 10 pips +/- X.

　　　　If long entry, stop goes 10 pips below X.

　　　　If short entry, stop goes 10 pips above X.

Target 1: 38.2% retracement of AD leg. When attained, stop moves to breakeven.

Target 2: 61.8% retracement of AD leg.

Butterfly Pattern

- Tools
  - Fibonacci Retracements: Primary used 78.6
  - Fibonacci Extensions: Primary used 127.2
- Timeframe
  - The Butterfly Pattern was discovered by Bryce Gilmore as a swing / position trading strategy. It can be identified on virtually on any timeframe.
- Tactics
  - The tactics for the Butterfly Pattern are very similar to other well known advanced patterns like the Bat or Crab. With the Butterfly

Pattern we seek to identify 4 market moves and 3 major Fibonacci zones. The combination of these moves forms the points (X,A,B,C,D) that fulfill the pattern.

Rules of Engagement: Criteria 1

The Butterfly Pattern begins with a market move / impulse leg that establishes our X and A points.

Once the X and A points have been identified, we then look for our first criteria.

Criteria 1: The market forms (B) completion point by fulfilling <u>at least</u> a **78.6% retracement of the XA leg.**

> **Note:** The AB move remains valid as long as there is <u>**at least**</u> a 78.6% retracement of XA and that it <u>**does not**</u> close above the 88.6%

Rules of Engagement: Criteria 2

If criteria 1 has been meet, then look for criteria 2.

Criteria 2: The market forms the (C) completion point by fulfilling <u>at least</u> a **38.2% retracement of the AB leg.**

> **Note:** The C point remains valid as long as there is <u>**at least**</u> a 38.2% retracement of AB and there <u>**is not**</u> a candle close at or beyond the 50% retracement of AB.

> **Note:** In a valid BC move, there must be a candle close beyond the 38.2% value. Failure to achieve a candle close beyond the 38.2% invalidates the move (this would be considered a Fibonacci failure which has no relevance to this pattern).

Rules of Engagement: Criteria 3

If criteria 1 and 2 have been met, then look for criteria 3.

Criteria 3: The market forms the (D) completion (entry point) by fulfilling a
127.2% extension of XA.

> **Note:** In a valid CD move, the 127.2% retracement of XA (D completion point) shows ratio confluence with the 161.8% of AB. The D completion point must extend past X.

Trade Management: Entry, Stops, & Targets

Simple Rules

Entry: Limit order placed at D completion point (127.2% of XA).

Stop Placement: 10 pips +/- 138.2% of XA.

> If long entry, stop goes 10 pips below the 138.2% of XA.
>
> If short entry, stop goes 10 pips above 138.2% of XA.

Target 1: 38.2% retracement of AD leg. When attained, stop moves to breakeven.

Target 2: 61.8% retracement of AD leg.

Crab Pattern

- Tools
  - Fibonacci Retracements: Primary used 61.8
  - Fibonacci Extensions: Primary used 161.8
- Timeframe

- o The Crab Pattern was discovered by Scott Carney as a swing / position trading strategy. It can be identified on virtually on any timeframe.
- Tactics
  - o The tactics for the Crab Pattern are very similar to other well-known advanced patterns like the Bat or Butterfly. With the Crab Pattern we seek to identify 4 market moves and 3 major Fibonacci zones. The combination of these moves forms the points (X,A,B,C,D) that fulfill the pattern.

Rules of Engagement: Criteria 1

The Crab Pattern begins with a market move / impulse leg that establishes our X and A points.

Once the X and A points have been identified, we then look for our first criteria.

Criteria 1: The market forms (B) completion point by fulfilling <u>at least</u> a **61.8% retracement of the XA leg.**

> **Note:** The AB move remains valid as long as there is **<u>at least</u>** a 61.8% retracement of XA and that it **<u>does not</u>** close above the 78.6%.

Rules of Engagement: Criteria 2

If criteria 1 has been meet, then look for criteria 2.

Criteria 2: The market forms the (C) completion point by fulfilling <u>at least</u> a **50% retracement of the AB leg.**

Note: The C point remains valid as long as there is **at least** a 50% retracement of AB and there **is not** a candle close at or beyond the 61.8% retracement of AB.

Note: In a valid BC move, there must be a candle close beyond the 50% value. Failure to achieve a candle close beyond the 50% invalidates the move (this would be considered a Fibonacci failure which has no relevance to this pattern).

Rules of Engagement: Criteria 3

If criteria 1 and 2 have been met, then look for criteria 3.

Criteria 3: The market forms the (D) completion (entry point) by fulfilling a **161.8% extension of XA.**

Trade Management: Entry, Stops, & Targets

Simple Rules

Entry: Limit order placed at D completion point (127.2% of XA).

Stop Placement: 10 pips +/- 200% of XA.

If long entry, stop goes 10 pips below the 200% of XA.

If short entry, stop goes 10 pips above 200% of XA.

Target 1: 38.2% retracement of AD leg. When attained, stop moves to breakeven.

Target 2: 61.8% retracement of AD leg.

Bat Pattern:

- **Tools**
  - Fibonacci Retracements: Primary used 50%
  - Fibonacci Extension: (127.2%)
- **Timeframes**
  - The Bat Pattern was designed as a swing / position trading strategy. It was originally discovered by Scott Carney. This pattern can be identified on virtually any timeframe.
- **Tactics**
  - The tactics for the Bat Pattern are very similar to other well known advanced patterns like the Gartley or Butterfly. With the Bat Pattern we seek to identify 4 market moves and 3 major Fibonacci zones. The combination of these moves forms the points (X,A,B,C,D) that fulfill the pattern.

Rules of Engagement: Criteria 1

The Bat Pattern begins with a market movement / impulse leg that establishes our X and A points.

Once the X and A points have been identified, we then look for our first criteria.

Criteria 1: The market forms the (B) completion point by fulfilling <u>at least</u> a **50% retracement of the XA leg.**

Note: The AB move remains valid as long as there is **<u>at least</u>** a 50% retracement of XA and that it **<u>does not</u>** close above the 50% retracement of XA.

Note: The B completion point (candle wick) can extend beyond the 50% retracement of XA as long as the candle does not close beyond the 50% retracement of XA.

Rules of Engagement: Criteria 2

If criteria 1 has been meet, then look for criteria 2.

Criteria 2: The market forms the (C) completion point by fulfilling <u>at least</u> a **61.8% retracement of the AB leg.**

> **Note:** The C point remains valid as long as there is <u>**at least**</u> a 61.8% retracement of AB and there **is not** a candle close at or beyond the 88.6% retracement of AB.

> **Note:** In a valid BC move, there must be a candle close beyond the 61.8% value. Failure to achieve a candle close beyond the 61.8% invalidates the move (this would be considered a Fibonacci failure which has no relevance to this pattern).

Rules of Engagement: Criteria 3

If criteria 1 and 2 have been met, then look for criteria 3.

Criteria 3: The market forms the (D) completion (entry point) by fulfilling a **161.8% extension of AB.**

> **Note:** In a valid CD move, the 88.6 retracement of XA (D completion point) shows ratio confluence with the 161.8% of AB. The D completion point cannot extend past X, this invalidates the pattern.

Trade Management: Entry, Stops, & Targets

<p align="center"><u>**Simple Rules**</u></p>

Entry: Limit order placed at D completion point (127.2% of AB).

Stop Placement: 10 pips +/- X.

       If long entry, stop goes 10 pips below X.

       If short entry, stop goes 10 pips above X.

Target 1: 38.2% retracement of AD leg. When attained, stop moves to breakeven.

Target 2: 61.8% retracement of AD leg.

Cypher Pattern:

- Tools
  - Fibonacci Retracements: Primaries Used (38.2 & 78.6)
  - Fibonacci Extensions: Primaries Used (127.2 & 141.4)
- Timeframes
  - The Cypher pattern was designed as a day / swing trading strategy. It was originally discovered on a 60 min chart and has since been identified on virtually any timeframe.

- Tactics
  - The tactics for the Cypher pattern are very similar to other well-known advance patterns like the Gartley or Butterfly. With the Cypher pattern we seek to identify 4 market moves and 3 major Fibonacci zones. The combination of these moves forms the 5 points (X,A,B,C,D) that fulfill the pattern.

Rules of Engagement: Criteria 1

The Cypher pattern begins with a market movement / impulse leg that establishes our X and A points.

Once the X and A points have been identified, we then look for our first criteria.

Criteria 1: The market forms the (B) completion point by fulfilling <u>at least</u> a
38.2 retracement of the XA leg.

> **Note:** The AB move remains valid as long as there is **<u>at least</u>** a 38.2 retracement of XA and there **<u>is not</u>** a candle close beyond the 61.8 retracement of XA.

> **Note:** The B completion point (candle wick) can extend beyond the 61.8 retracement of XA as long as the candle does not close beyond the 61.8 retracement of XA.

Rules of Engagement: Criteria 2
If criteria 1 has been met, then look for criteria 2.

Criteria 2: The market forms the (C) completion point by fulfilling <u>at least</u> a
127.2 extension of the XA leg.

> **Note:** The C point remains valid as long as there is at least a 127.2 extension of XA and there is not a candle close beyond the 141.4 extension of XA.

> **Note:** In a valid BC move, there must be a candle close beyond the A value. Failure to achieve a candle close beyond A invalidates the move (this would be considered a double top / bottom which has no relevance to this pattern).

Rules of Engagement: Criteria 3
If criteria 1 and 2 has been met, then look for criteria 3.

Criteria 3: The market forms the (D) completion (entry point) by fulfilling a 78.6 retracement of the distance XC.

Note: In a valid BC move, the 78.6 retracement of XC (D completion point) must exceed the distance of CB.

Trade Management: Entry, Stops, & Targets

Simple Rules

Entry: Limit order placed at the D completion point (78.6 of XC).

Stop Placement: 10 pips +/- X.

    If long entry, stop goes 10 pips below X.

    If short entry, stop goes 10 pips above X.

Target 1: 38.2 retracement of CD leg. When attained, stops move to breakeven.

Target 2: 61.8 retracement of CD leg.