

Are we near areas where price moved very fast previously,

(supply exceeded demand or demand exceeded supply)

How about Fibonacci for assets?  
Only if significant price turns ~~can be~~ complement key Fib ratios  
Again, if we have 1st and 2nd wave  
good deal :)

How far are we from the 4 hour "significant" (1 hour too) reversal pattern (triple top) ... does one hour show a corrective phase ... be patient, wait for opportunity and MBO in 5 min, then trade in 1 min and back and forth to follow and profit and get out of the trade. . .

To trade or not to trade

(start with larger time frames)

Let me

count

the waves

and where are significant price turns, and where are we in the wave principle market cycle, and how about prevailing trend, is the correction finished? where are the waves?

Major waves are easier to count  
Let say that, and locate market cycle positioning

double tops, and triple top are strong signals



Check for strong retracement of wave 2 (a waves)  
 "remarkably" find support at wave 2 -  
 for a 5th wave extension, we often  
 it can get confused for the 5th wave included.  
 Be careful in identifying 3rd wave extension!

overcoming our emotions  
 truncated 5th's and ending diagonals.  
 A diagonal usually precedes a change in direction, and so do 5th wave extensions.  
 (Studies on market part too)

Do any support/resistance levels coincide with Fibonacci relationships? 61-8%  
 Are we near any "significant" and 38-2% price turns, and do we need to break any new highs or lows to confirm further movement?  
 Remember we have 9 impulsion opportunities or 6 if we are waiting for 1st wave and second wave -- seeking a first strong impulsion is higher probability trading -- MBO and tadah!  
 our reversal patterns are great signals...  
 (remember that a "b" corrective wave can be appearing as a prevailing trend impulsion when the "c" wave is next.)

Try drawing trend lines the way Neely recommends. (It takes time to learn all the structure label stuff, but keep trying)  
 (if 1 hour is correcting what does etc 15 min seem like?)

if wave 3 is not an extension then wave 5 is likely a diagonal.  
 wave 1 diagonal, wave 3 is likely an extension.  
 corrective waves are 3's and 4's (flat, zigzag)  
 remember alteration rule for 2 & 4  
 double zigzag (for longer degree shows w x y)  
 Regular flat  
 Expanded flat  
 if power trend, hard to happen in 4th waves  
 sometimes b pushes back.

Motive wave rules: wave 2 and wave 4  
 3rd wave is never the shortest wave.  
 Use Entry order  
 check price turns in weekly, daily, 4 hour, 1 hour, clusters more than 3 candles are stronger "fortresses".  
 trade with the prevailing trend  
 EMA's?  
 (set ups in smaller time frames)  
 \* search for wave 1 and wave 2 pullback for opportunity -- use 1 hour as our "significant" for waves  
 \* corrections are clearer when finishing

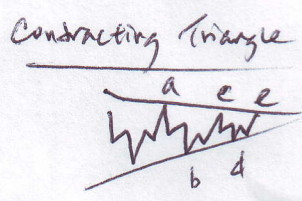
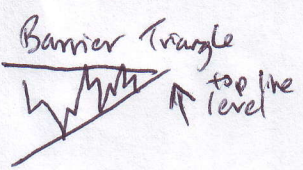
Risk Management (plan the trade, trade the plan)  
 when studying the 1 hour chart what kind of subwaves exist? Remember our cycle.  
 etc. trend counter trend  
 8-8-5 8-5  
 where do the subwaves for 1 hour really exist? 15 min, 5 min, 1 min what is clearest?



Triangles take their time and like to go sideways.   
 convergence points are key price turns.

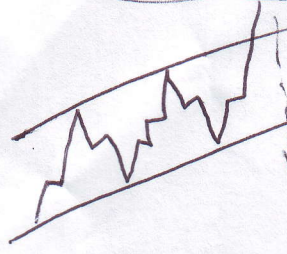
Triangles often occur before the last impulse wave in the next larger degree

Wave 4 and wave b is most common



Impulse: for counting 5 waves (w/extensions 9 or 13 waves)  
 Correction: 3 waves (7 or 11 waves)

**Corrective Channel**



If breaks bottom channel line ... what happens? Wait for reversal setups in 15 min ... check 1 hour. Are we near a previous price turn? How about Fib retracements?

Usually a triangle is the final component of a "double" or "triple three".

(V)

Remember "alternation" rule for wave 2 and wave 4 flat and zigzag or triangle

also for waves 2 and 4 "Sharp" and "sideways" alternation

For our abc correction --

- traders think the a wave is just a pullback
- 5 waves in "a" indicate a zigzag for "b."
- Wave 2 tends to correct sharply, and wave 4 tends to retrace 38.2%.

"Double" and "triple" (should have a corrective pattern in the middle going in opposite direction)

Speed time back testing do recognize how patterns evolve

Have 3 confirmations, levels upon levels

Trading is more about being proactively patient, not how we usually work with the computer... chill

path of least resistance, what are recent resistance areas

Don't trade much when learning, because it can take the wind out of your sail (just chill -- enjoy the discovery ...)

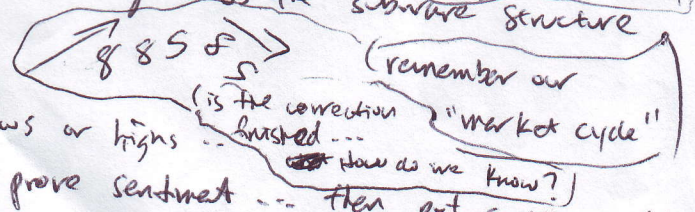
Why trade lines -- (what does Neely say?)

if you do, use good risk management.

Setups in 5 min. so not so microscopic; and (general structure)

Just study instead of getting poked around by the market -- try a trade here and there and take your time... enjoy the discovery

Let the market prove sentiment by breaking "significant" lows or highs put an entry order, and be patient for price to prove sentiment -- then put a reasonable "no-stop out" protective stop, and a non-sticky limit order... Keep studying



Always momentum breakout

Know which wave we are in.

The most difficult part is to show emotional strength and not go into trades too early, let the pattern form, and use entry orders ... no rush.



(3)

In 5 minute, we have a solidification of price movement that helps us notice set ups, impulsion clarity for a 1st wave and pull back, and chance for ABC...

\* Most of the trading time is allowing an opportunity to unfold, so keep something to do and enjoy the analysis... try to stack probabilities, but keep it real... be honest with yourself.

Is this an opportunity? Is the a-b-c finished?

Every market cycle must have a correction, so know its finished.

Conquering our emotions involves not rushing into a trade without thorough analysis... and when you notice an impulsion that happened while you were analyzing... ~~there's an old saying~~ better money missed than money lost.

Just allow time to pass and ~~wait~~ wait for the next setup...

Are we sure this is the currency we are working with today?

Price is the only objective indicator, so are we near a reversal pattern and far enough away from key price turns to give us room for market cycle unfolding?

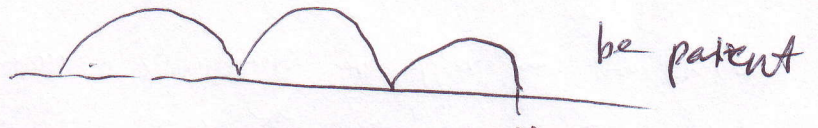
Trading is not about doing the trade its about planning the trade. then if opportunity, make it happen with as good risk management possible. ~~5 minutes putting it together and 5 in~~ that Einstein said.

A trading platform should be treated very differently than a ~~prog~~ software application... its not the activation of the ~~function~~ trading, its the activation of the analysis to stack probabilities. Believe this and have faith for real that your studies is supposed to be a discovery and will strengthen strategy. The key is to overcome our emotions in trading, meaning we can't rush into trades... practice not trading too

Relax, the market will still be there



Really honestly wait for key price levels to ~~break~~ be broken. when we have a reversal pattern -- wait for the line to be passed.



all kinds of market cycle opportunity will exist.

Remember that after 3 impulses we are going to have a correction, the double top formations are always the best setup.

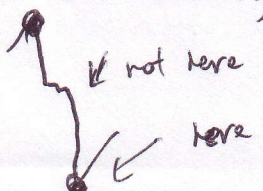
Also always use an entry order place where the momentum breakout would be, then we know we have broken a price level... also make sure you have the protective stop price and limit price ready to enter when the position opens.

(make sure entry order is a bit away from the significant price turn for safety, that it won't bounce)

Also remember the measured move that is universally accepted, if we have a large triple top reversal pattern... maybe we have or range is the most recent peak to the lowest most significant price turn in the 4 hour. (as beginners just do intraday) someday this setup can be a swing trade opportunity -- all in good time... maybe even then do intraday to have better risk management...

Beginning traders need to build up confidence so swing trading losses can take the wind out of your sail... take it one little momentum breakout trade at a time.

Remember that termination points should be marked at price turns in 5 min after 1 hour waves have been numbered. ex: speed bumps don't count as a termination points for our counting





Remember that the 3<sup>rd</sup> wave will never be the starkest wave, so our "1<sup>st</sup> wave and a pullback" song is good ...

upon the entry order position activating, put the protective stop a bit beyond the most recent pull back -- profit and get out ... and don't rush into adding lots until we are more empirically strong (success consistently through observation of this strategy working) ☺

When beginning the trading day, ~~prepare~~ say a prayer of hope, ~~make~~ have a tiny squeeze of lime in water, pour out the cup, make green tea, have an herb or something on an empty stomach (or whatever is o.k. for you), put a few almonds or something out ... then turn on the computer ... spend time checking ~~for~~ the currency your favorite analyst says has something going on (such as ~~the~~ <sup>the</sup> ~~Saetelle~~ <sup>Saetelle</sup>) and just relax ... check a few things ... ~~let~~ let the motor get going ... ~~check~~ check support/resistance levels, EMAs, count some waves, then stretch a bit to get the blood flow going ... spend some more time analyzing and check if there is an entry order opportunity ... if so, place the entry order ... then do your reading or hobby and relax ... wait for the entry order to happen ... then profit and get out ☺

Use the 15 minute and 5 min. charts for monitoring because this way price can show itself beyond internal wave unfolding in 1 minute which can be distracting ... hang around -- be patient ☺